SUPREME COURT, U.S.
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In the

Supreme Court of the United States

OCTOBER TERM, 1974

SKIL CORPORATION,

Petitioner,

vs.

LUCERNE PRODUCTS, INC.,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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TABLE OF CONTENTS

	Page
PETITION FOR WRIT OF CERTIORARI	1
Opinions Below	1
Jurisdiction	2
The Questions Presented for Review	2
Federal Statutes Involved	3
Statement of the Case	4
Proceedings Below	4
Errors by the Court of Appeals	5
Reasons for Granting the Writ	8
Conclusion	9
APPENDIX	10
Skil Corp. v. Rockell Mfg. Co. et al, 358 F.Supp. 1257	1a
Skil Corp. v. Lucerne Products, Inc., 178 U.S.P.Q. 562	7a
Skill Corp. v. Lucerne Products, Inc., 503 F.2d 745	12a
Frenzel Patent RE 26,781	18a
35 U.S.C. §102	24a
35 U.S.C. §103	25a
35 U.S.C. §112	25a
35 U.S.C. §282	26a
Public Law 89-83; 79 STAT. 259	27a
1965 U.S. Code Cong. and Adm. News, page 2315 et seq	32a

PAGE

CITATIONS

CASES

Graham v. John Deere Co., 383 U.S. 1 (1966) 6

Leeds & Catlin v. Victor Talking Mach. Co., 213 U.S. 301 (1909) 7

STATUTES

28 U.S.C. §1254(1) 2

35 U.S.C. §41(a) 9

35 U.S.C. §102 ..... 3, 8

35 U.S.C. §103 ..... 3, 6, 8

35 U.S.C. §112 ..... 2, 3, 4, 6, 7, 9

35 U.S.C. §154 8

35 U.S.C. §282 ..... 2, 3, 4, 6, 9

OTHER

Public Law 89-83; 79 STAT. 259 ..... 3, 4, 9

1956 U.S. Code Cong. and Adm. News 4

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SKIL CORPORATION,

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Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Petitioner respectfully prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Seventh Circuit entered in the above entitled cause on October 4, 1974, affirming in part and reversing in part, the decision of the District Court.

Opinions Below

The decision of the District Court is in two parts. The first part is reported at 358 F.Supp. 1257 and is printed at A 1a[1]; the second part is reported only at 178 U.S.P.Q. 562, 565 and is reproduced at A 7a.

The Opinion of the Court of Appeals dated October 4, 1974 is reported at 503 F.2d 745 and is printed at A 12a.

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[1] The abbreviation "A" is used herein to designate the Appendix bound with this Petition.

Jurisdiction

The date of the Judgment of the Court of Appeals is October 4, 1974. The Order of the Court of Appeals denying petitioner's timely petition for rehearing is dated October 23, 1974. Jurisdiction of this Court is invoked under 28 U.S.C. §1254(1).

The Questions Presented For Review

The following questions of great importance to the administration of our patent laws are:

1. In a situation when a parent or supporting claim of a patent is invalid, will the objectives of the 1965 Amendments to the Patent Act, *i.e.*, the Amendments to 35 U.S.C. §§112 and 282 which encourage applicants to use dependent claims, be subserved if a dependent claim is tested for obviousness only on the basis of the differences between it and its parent?

2. Did the Court of Appeals, in reversing the District Court, disregard—

(a) the 1965 Amendment to 35 U.S.C. §282 which expressly provides that a dependent claim of a patent is to be presumed valid independently of the validity of its parent claim, and

(b) the time-honored decisions of this Court which hold that claims are independent inventions,

when the rationale employed by the Court of Appeals in invalidating a dependent claim of petitioner's patent is based solely on the differences between that claim and its invalid parent?

3. When the parent or supporting claim of a patent is invalid for obviousness, does the subject matter thereof

necessarily become prior art against which to determine the question of obviousness of a claim dependent from the invalid claim?

Federal Statutes Involved

The questions herein presented involve 35 U.S.C. §§102, 103, 112 and 282. These statutes are printed in the Appendix beginning at A 24a. Because the second paragraph of §112 and the first paragraph of §282, Title 35, United States Code, are of particular importance to the questions presented, they are set forth as follows:

"§ 112. Specification

* * * * * * *

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention. *A claim may be written in independent or dependent form, and if in dependent form, it shall be construed to include all the limitations of the claim incorporated by reference into the dependent claim.*

* * * * * * *

"§ 282. Presumption of validity; defenses

A patent shall be presumed valid. *Each claim of a patent (whether in independent or dependent form) shall be presumed valid independently of the validity of other claims; dependent claims shall be presumed valid even though dependent upon an invalid claim.* The burden of establishing invalidity of a patent *or any claim thereof* shall rest on the party asserting it."

The italicized language was added by amendment in 1965. Specifically, the amendments to Sections 112 and 282 of Title 35, United States Code, enacted July 24, 1965, were part of Public Law 89-83, 79 Stat. 259 (A 27a),

commonly referred to as the Patent Office Fee Bill. The legislative history with respect to this public law will be found in 1965 U.S. Code Cong. and Adm. News, page 2315 *et seq.* (A 32a). One of the purposes of the bill is "to expedite the prosecution of patent applications and thus make new technology available to the public at an earlier date". (1965 U.S. Code Cong. and Adm. News, page 2316; A 33a). The Committee on the Judiciary pointed out that expediting the examination of patent applications "will be accomplished most notably by encouraging the use of dependent claims in patent applications and by inducing applicants to prepare their applications in a concise form" (1965 U.S. Code Cong. and Adm. News, page 2323; A 45a).

Since one of the purposes of the bill under consideration was to induce and encourage applicants to use dependent claims, Congress amended Sections 112 and 282 (Sections 9 and 10 of Public Law 89-83; A 31a) in an attempt to prevent such claims from occupying second-class citizenship (1965 U.S. Code Cong. and Adm. News, page 2319; A 39a). In other words, by these amendments, dependent claims were to be accorded the *same* treatment and consideration as independent claims.

Statement Of The Case

Proceedings Below

This patent infringement litigation began when petitioner filed its complaint charging respondent with infringement of Frenzel patent RE. 26,781, A 18a (hereinafter "the Frenzel patent"). Respondent filed an answer and counterclaim alleging infringement by a patent owned by it.[2]

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[2] The present Petition does not involve the subject matter of the counterclaim.

The District Court held claims 1, 2 and 3 of the Frenzel patent invalid. Claim 5, dependent from claim 1, was held valid and infringed.

On appeal, the respondent challenged the holding of validity of claim 5 of the Frenzel patent. Petitioner did not cross-appeal the invalidity holding with respect to claims 1, 2 and 3. Thus, the only validity issue purportedly before the Court of Appeals was with respect to claim 5 alone; that Court reversed finding claim 5 invalid for obviousness.

Errors By The Court Of Appeals

The portions of the Court of Appeals' decision which particularly evidence its erroneous analysis in concluding claim 5 of the Frenzel patent to be invalid are as follows:

• • • • • • •

"Frenzel's stop member and adjusting screw are described • • • in invalid Claim 1, on which Claim 5 is dependent. Claim 5, which merely adds the locking feature, reads as follows • • •." (503 F.2d 748; A 15a).

• • • • • • •

"The stop member and the adjusting screw are in Claim 1, which the District Court held invalid, and are concededly not invention. The invention, if Claim 5 is valid and Claim 1 is not, must consist of adding the locking pin and the hole in the stop member." (503 F.2d 749; A 16a).

• • • • • • •

"Invalid Claim 2 describes the entire switch, including the locking means. The portion of invalid Claim 2 which is comparable to Claim 5 is as follows • • •." (503 F.2d 748; A 15a).

• • • • • • •

The most glaring error by the Court of Appeals resides in its refusal to consider claim 5 *independently* as specifically required by the 1965 language added to Sections 112 and 282. Although the Court of Appeals stated that "the validity of Claims 1, 2 and 3 of the Frenzel patent is not before us" (503 F.2d 747; A 14a), the decision is replete with references to these other claims — and the appellate court's heavy reliance on these invalid claims caused it to examine claim 5 with a jaundiced eye.

Thus, it is clear from the language of the opinion quoted above that the Court of Appeals disregarded the express language of 35 U.S.C. §282 requiring a court to presume a dependent claim valid even though dependent upon an invalid claim. Actually, the Court of Appeals acted in a manner directly opposite to the mandate of Section 282 as that Court in effect presumed claim 5 to be *invalid*. That is to say, it is manifest that the Court of Appeals approached claim 5 with the view that it was fatally infected by its dependence upon an invalid claim.

As further evidence that the appellate court below ignored the directive of Section 282, attention is invited to the improper comparison of claim 5 with claim 2, the latter being another claim dependent from claim 1 and held invalid by the District Court. Beyond doubt, the Court of Appeals in examining the validity of claim 5 was clearly biased by the invalidity of companion claim 2.

In testing claim 5 for obviousness under Section 103 in accordance with the mandate of this Court in *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966), the Court of Appeals simply should have considered whether or not

the arrangement of elements set forth in claim 5 in combination with all the elements of claim 1 (as required by Section 112) constituted an unobvious invention in view of the prior art patents and publications relied upon by the respondent.[3] However, this the Court of Appeals did not do — rather, it barely considered prior patents and publications and for the most part relied on claims 1 and 2 as stepping stones to invalidate claim 5.

Aside from disregarding the statutory language referred to, *supra,* we submit that the Court of Appeals also ignored time-honored decisions by this Court which hold that each claim of a patent constitutes a separate invention. In particular, we invite attention to *Leeds & Catlin* v. *Victor Talking Mach. Co.,* 213 U.S. 301 (1909) where this Court stated at page 319:

> "Claims are independent inventions. * * * One claim may be valid, all the rest invalid; invalid for the want of some essential patentable attribute. But what is good remains and is unaffected by its illegal associates."

In the case at bar, it is clear that claim 5 was affected, and adversely of course, by its invalid associates, viz., claims 1 and 2. In point of fact, claim 5 failed before the Court of Appeals *only* because of its association with other claims, the invalidity of which should not have been considered by that Court. Accordingly, claim 5 was not considered an *independent* invention as required by *Leeds & Catlin* v. *Victor Talking Mach. Co., supra.*

The appellate court below made another basic error in that it incorrectly assumed that the subject matter

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[3] The District Court correctly followed this test and found claim 5 valid (358 F.Supp. 1259; A 3a).

of claim 1 found to be invalid for obviousness[4] is prior art against which the question of obviousness of dependent claim 5 may be measured. Manifestly, this cannot be the case as only statutory prior art defined by 35 U.S.C. §102 may be used as a reference against which the test of obviousness under 35 U.S.C. §103 is applied. In effect, the Court of Appeals erroneously applied a *double* obviousness test against claim 5 of petitioner's Frenzel patent.

Reasons For Granting The Writ

Although we believe that the decision of the Court of Appeals is manifestly erroneous, we recognize that this Court, because of Constitutional and pragmatic considerations, will not normally issue the writ of certiorari only for purposes of correcting error. We should also hasten to add that the issues raised by this petition far transcend the adverse economic effect to petitioner by the unlawful invalidation of its patent claim. With these caveats in mind, we respectfully pray that the writ issue because the questions raised by this petition are of great importance to the administration of our patent laws.

There are approximately 1,000,000 active patents in existence.[5] Although we have no practical way of determining the number of dependent claims contained in these patents, such number is undoubtedly a considerable multiple of 1,000,000. Moreover, the ratio of dependent to independent claims has undoubtedly increased since

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[4] This claim was held obvious over a Sparklin patent (503 F.2d 748; A ....).

[5] United States patents have a term of seventeen years. 35 U.S.C. §154.

1965 because of the inducement to draft such claims resulting from the amendments to the Patent Act enacted that year.

The decision of our Court of Appeals casts a pale over the validity of literally millions of patent claims. Beyond peradventure, many, many dependent claims will be improperly held invalid by the various district courts relying on the decision of the appellate court below.

Also, this decision, if left standing, will be inimicable to the laudatory objectives of Public Law 89-83. Specifically, this decision will induce applicants to file *independent* claims rather than dependent claims with the result that prosecution of patent applications will be retarded, not expedited, and the disclosure of new technology to the public will be delayed. Moreover, this increased filing of independent claims will place an added financial burden on applicants and patentees as the statutory fee for filing such claims is significantly greater than the fee for filing dependent claims (35 U.S.C. §41(a); (A 27a).

CONCLUSION

Thus, we submit that the writ should issue and that the Court of Appeals' decision should be reversed. This Court, in the interest of the efficient administration of our patent laws and in the interest of making new technology available to the public as rapidly as possible, should make it clear that dependent claims are *favored* and are to be treated by the courts below in the manner prescribed by the amendments to 35 U.S.C. §§112, 282.

Respectfully submitted,

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Cite as 358 F.Supp. 1257 (1973)

SKIL CORPORATION, Plaintiff and Counter-Defendant,

v.

ROCKWELL MANUFACTURING COMPANY, Defendant,

Lucerne Products, Inc., Substitute Defendant and Counter-Plaintiff.

No. 70 C 1523.

United States District Court,
N. D. Illinois, E. D.

March 26, 1973.

Patent infringement action. The District Court, McMillen, J., held that claims 1 and 2 of Reissue Patent 26,781, relating to a mechanism enabling an operator to control the speed of a trigger-operated drill, were invalid on the ground of obviousness, if not complete anticipation: further, a specified pneumatic, variable speed tool was significant in that it taught a screw-adjusting means as part of the trigger control, precluding claim 3 as obvious; however, claim 5, referred to as the invention's "vernier" effect, which enables an operator to finely adjust motor's speed after trigger is locked in an operating position, was not obvious to a person having ordinary skill in the prior art and was therefore valid. The Court further held that Patent No. 3,389,365, relating to a motor switch with a vertical rheostat, was commercially sold to plaintiff and thereby dedicated to the public more than a year before the filing date and was therefore invalid; however, the evidence of publication introduced was not sufficiently clear and convincing to set aside said patent on that ground.

Judgment for plaintiff.

1. Patents ⇐26(1¼), 11, 112(1)

A combination of old elements can result in an invention, but a combination of old elements must be carefully scrutinized to determine their novelty, and an issued patent retains its presumption of validity during such scrutiny.

2. Patents ⇐328(4)

Claims 1 and 2 of Reissue Patent 26,781, relating to a mechanism enabling an operator to control the speed of a trigger-operated drill, were invalid on the ground of obviousness, if not complete anticipation; further, a specified pneumatic, variable speed tool was significant in that it taught a screw-adjusting means as part of the trigger control, precluding claim 3 as obvious; however, claim 5, referred to as the invention's "vernier" effect, which enables an operator to finely adjust motor's speed after trigger is locked in an operating position, was not obvious to a person having ordinary skill in the prior art and was therefore valid. 35 U.S.C.A. § 103.

3. Patents ⇐18, 36(2)

Although commercial success is not in itself a basis for establishing a patent's validity, it is an indication of the patented feature's nonobviousness. 35 U.S.C.A. § 103.

4. Patents ⇐66(1)

Alleged anticipatory invention was not reduced to practice prior to patented device and therefore could not be anticipatory. 35 U.S.C.A. § 102(g).

5. Patents ⇐328(4)

Defendant's manufacturing under Patent No. 3,603,757 infringed on claim 5 of plaintiff's Reissue Patent 26,781, relating to a so-called "vernier" effect enabling drill operator to finely adjust motor's speed after trigger is locked in an operating position, since the accused device performed substantially the same function in substantially the same way to obtain the same result as claim 5.

6. Patents ⇐328(2)

Although evidence of publication was not sufficiently clear and convincing to set aside Patent No. 3,389,365, relating to a motor switch with a vertical rheostat, on that ground, the patent was invalid for having been commercially sold to plaintiff and thereby dedicated to the public more than a year before the filing date. 35 U.S.C.A. § 102(b).

Clarence J. Fleming, McDougall, Hersh & Scott, Chicago, Ill., for plaintiff and counter-defendant.

James Van Santen, Hill, Sherman Meroni, Gross & Simpson, Chicago, Ill., for defendant.

DECISION AND ORDER

McMILLEN, District Judge.

The issues in the case have been reduced to Count I for infringement of certain claims of Frenzel Reissue Patent 26,781 and Count II for a declaration of invalidity of Matthews patent 3,389,365. The plaintiff Skil Corporation as owner of the Frenzel reissue patent contends that the defendant Lucerne Products, Inc. infringes Frenzel by manufacturing and selling a switch control device under Sahrbacker patent = 3,603,757 which defendant owns. 35 U.S.C. § 271(a). The defendant contends its devices do not infringe Frenzel and also that Frenzel is invalid because of non-obviousness and anticipation. For reasons to be discussed, we find that the presumption of validity of the Frenzel reissue patent remains intact on its claim 5 only.

Count II is a declaratory judgment action to declare invalid defendant's Matthews et al patent 3,389,365 on the grounds, *inter alia*, of a commercial sale and a publication more than one year before the filing date of August 23, 1965. A case or controversy exists because plaintiff is manufacturing devices which defendant contends infringe the Matthews patent. We find and conclude that the Matthews patent is invalid because it was dedicated to the public under 35 U.S.C. § 102(b).

Plaintiff alleges that the defendant is infringing the original claims 2, 3 & 5 contained in the Frenzel reissue patent. This invention consists of three primary elements which in combination distinguish it from the prior art. The first element is an adjustable assembly connected to the trigger which allows the range of the trigger's movement to be controlled. This correspondingly con-

trols the speed of the motor. The second element consists of a locking device whereby the trigger can be detained in any adjusted position. The third element is referred to in the claims as 'catch means" carried by a lug, enabling the operator to finely adjust the motor's speed after the trigger is locked in an operating position. The patentee refers to this aspect of his invention as the "vernier" effect (see Frenzel patent, col. 4, lines 60–73).

[1] The defendant attacks the Frenzel patent as merely a combination of old elements and therefore not entitled to patentability, citing A & P Tea Co. v. Supermarket Corp., 340 U.S. 147, 71 S. Ct. 127, 95 L.Ed. 162 (1950) and Toro Mfg. Corp. v. Jacobsen Mfg. Co., 357 F. 2d 901 (7th Cir. 1966). These cases do not hold, however, that a combination of old elements cannot result in an invention, but merely that a combination of old elements must be carefully scrutinized to determine their novelty. The issued patent retains its presumption of validity during this scrutiny.

[2] The old elements in the case at bar are illustrated by Sparklin patent No. 2,525,839 and an Ingersoll-Rand pneumatic impact tool. The Sparklin patent, considered by the Patent Office in its original examination of the Frenzel invention, is similar in two significant ways to Frenzel: the trigger is used to control the speed of the mechanism and can be locked in position. This is what Claims 1 and 2 of Frenzel's patent consist of. Sparklin fails, however, to teach two of the three primary elements of Frenzel: the adjustable assembly and vernier "catch means". Sparklin's invention is incapable of achieving this result, but it does preclude Claims 1 and 2 of Frenzel's patent on the ground of obviousness, if not complete anticipation.

The Ingersoll-Rand pneumatic, variable speed tool is significant in that it teaches a screw adjusting means as part of the trigger control, precluding Claim 3 of Frenzel as obvious. However, Frenzel's adjustable assembly is comprised of more than a simple screw to control the trigger's stroke. In order to carry out his vernier feature, it is essential that the catch means move relative to the trigger. This is accomplished by element 24 of the Frenzel device which carries the catch means and allows it to move relative to the trigger. The Ingersoll-Rand tool does not embody this feature, or the capability for finely adjusting the motor's speed once an operating position has been achieved.

Thus the prior art taught a locking means for a trigger and a means for varying the range of the trigger's stroke. It fails to suggest Frenzel's vernier adjustment and fails to teach the means necessary to implement such an idea. In particular, it is the unique combination of elements 24, 27 and 42 in connection with the trigger which results in the fine adjustment or vernier capability that we find totally lacking in Sparklin and the Ingersoll-Rand tool or any other prior art brought to our attention.

From the Sparklin invention of 1950 to Frenzel, the defendant has failed to show a single piece of prior art that has remotely suggested the vernier feature. We are satisfied, in light of this record, that Claim 5 of the Frenzel device, when taken as a whole, would not have been obvious to a person having ordinary skill in the related art at the time the invention was made. 35 U.S.C. § 103.

[3] The plaintiff has also satisfied this court that the Frenzel patent has met with considerable commercial success. Although commercial success is not in itself a basis for establishing a patent's validity, it is a further indication of the patented feature's nonobviousness. Graham v. John Deere Co., 383 U.S. 1, 17, 18. 86 S.Ct. 684, 15 L.Ed. 2d 545 (1950).

[4] Defendant also contends that certain employees of the Singer Co. developed a device anticipatory of Frenzel's in the Spring of 1965. This became Winchester et al patent No.

3,439,248 filed January 4, 1966, shortly after Frenzel's original filing. Singer has recently filed interference = 97,893 in the Patent Office claiming prior invention. 35 U.S.C. § 102(g). This court has declined to await the outcome of the interference proceeding, and defendant has filed depositions of certain Singer personnel herein. We find that these depositions do not establish priority of the Singer device by the weight of the evidence. They show that Singer's formal testing occurred in December 1965, considerably after the filing date of Frenzel's original application, and that the model allegedly constructed and operated by Singer personnel in the Spring of 1965 was never used to drill any holes, was never reduced to detailed production drawings or recorded in formal testing documents, and was inoperable at the time of the depositions in May 1971. Without purporting to rule on the merits of Singer's pending interference, since it is not a party herein, we find and conclude that defendant in the case at bar has not established that the Winchester invention was reduced to practice prior to Frenzel's device and therefore cannot be anticipatory. Cf. Corona Tire Co. v. Dovan Chemical Corp., 276 U.S. 358, 382–384, 48 S.Ct. 380, 72 L.Ed. 610 (1928).

[5] Defendant's manufacturing under Sahrbacker patent No. 3,603,757, issued September 7, 1971, constitutes infringement of Frenzel's Claim 5. Frenzel and Sahrbacker use almost identical elements in every material respect. The only significant difference between them is in the type of electrical switches used by each, and concededly they are not part of either invention. Based on the evidence produced at trial and an examination of the two patents, which the parties agree illustrate and describe the devices, this court finds that the Sahrbacker device performs substantially the same function in substantially the same way to obtain the same result as Frenzel's Claim 5 and therefore infringes it. Standard Industries v. Tigrett Industries, 397 U.S. 586, 90 S.Ct. 1310, 25 L.Ed.2d 590 (1970); Graver Tank v. Linde Air Co., 339 U.S. 605, 70 S.Ct. 854, 94 L.Ed. 1097 (1950); King-Seeley Thermos Co. v. Tastee Freez Industries, Inc., 357 F.2d 875 (7th Cir. 1966), cert. den., 385 U.S. 817, 87 S.Ct. 38, 17 L.Ed. 2d 56 (1966).

The second portion of this case, concerning the alleged invalidity of the Matthews patent, is considerably simpler to resolve. Lucerne agreed to develop a switch to operate the variable speed feature of a Skil electric tool. In order to finance this development and obtain its fruits, Skil placed an order with Lucerne for 100,000 switches on March 2, 1964, calling for 25 to 30 samples to be delivered within two weeks.

Matthews, on behalf of Lucerne, developed a switch with a horizontal rheostat and shipped some hand-made examples of it to Skil in the Spring of 1964. They did not work satisfactorily and Skil returned them.

On about July 4, 1964 Matthews conceived the idea of placing the rheostat in a vertical position, and this change resulted in a satisfactory switch. Lucerne shipped some examples of this modified switch to Skil in July 1964, and Skil received them for testing on August 8, 1964. No restrictions on disclosure were imposed. Lucerne finished its tooling about August 11 and began producing the new switches, although it had no assembly line for quantity production. Over 1,000 of these switches had been sold to Skil by August 20, 1964 and Skil incorporated at least 449 with drills for sale in July and August. Matthews did not file his application for the modified switch until August 23, 1965.

[6] Defendant admits that shipments of the switch with a vertical rheostat were made to Skil before August 23, 1964 but contends that this was for experimental or developmental purposes.* This contention is belied by the

* Defendant's Memorandum of Authorities on Contested Issues, filed on the eve of trial, states on page 25:

Defendant submitted some experimental sample devices to plaintiff for examination and possible approval more than

fact that Lucerne made no significant changes in the switch after July. Also these shipments were credited against the purchase order for 100,000, and Skil paid Lucerne the agreed price of $3.00 a unit. Finally, in other litigation, when it was to defendant's advantage to establish an early sale date, Matthews testified that Lucerne made sales of switches to Skil in January through June 1964, without mentioning any experimental use. Although the earlier sales involved the switches with the horizontal rheostat, if *they* were not experimental, the switches with the vertical rheostat were not. We find and conclude that the switch had been commercially sold to Skil and thereby dedicated to the public more than a year before the filing date. See City of Elizabeth et al. v. American Nicholson Paving Co., 97 U.S. (7 Otto) 126, 24 L.Ed. 1000 (1877); Watson v. Allen, 103 U.S.App.D.C. 5, 254 F.2d 342 (1958).

The fact that Underwriters Laboratory did not approve the switch with the vertical rheostat until September 3, 1964 does not change the date of the first sale. Defendant notified Underwriters that it was ready for testing of switches made with production tooling on July 15, 1964. Even though Skil's purchase order and defendant's product liability insurer both required Underwriters' approval, neither of these facts preclude Lucerne from producing and selling unapproved switches as soon as they were ready. Matthews verily believed the modified switch would work, and he would not be expected to let his production facilities lie idle while awaiting the UL approval. The crucial fact is the sale, not whether defendant had UL approval or a final assembly line in operation.

Plaintiff also introduced evidence that a magazine entitled *Electrical Equipment* published a description and photograph of the modified Matthews device shortly before August 23, 1964. There is evidence from Post Office officials that this magazine was mailed out over the weekend before August 24 (which was a Monday) but no evidence that it was received by any subscriber or purchaser before that date. Furthermore the description of the switch in the magazine is not sufficiently detailed to constitute publication within the meaning of 35 U.S.C. § 102(b). Application of Le Grice, 301 F.2d 929, 936, 49 CCPA 1124 (1962); Accord Philips Electronic & Pharmaceutical Industries Corp. v. Thermal and Electronics Industries, Inc., 450 F.2d 1164 (3rd Cir. 1971); Bros Inc. v. W. E. Grace Manufacturing Co., 351 F.2d 208 (5th Cir. 1965), cert. den., 383 U.S. 936, 86 S.Ct. 1065, 15 L.Ed.2d 852 (1966). We find that the evidence of publication is not sufficiently clear and convincing to set aside the Matthews patent, although it does tend to confirm that defendant was producing and selling the switch to Skil more than one year before the date of Matthews' application.

It is not necessary at this stage of the case to reach plaintiff's final point that withholding of information concerning sales of switches with the horizontal rheostat constituted such fraud on the Patent Office as would void the patent. We find that the deposition of the former Solicitor of the Patent Office, Joseph Schimmel, is admissible, but we do not find that plaintiff has adduced the clear and convincing evidence required to set aside a patent under such cases as Beckman Instruments v. Chemtronics, Inc., 439 F.2d 1369 (5th Cir. 1970). It per-

one year prior to the August 23, 1965 filing date of the application which issued into the Matthews et al patent but the defendant denies that any such experimental sample devices were approved by Underwriters' Laboratory or were approved for fulfillment of the order by the plaintiff. Defendant submitted invoices to plaintiff seeking compensation for such experimental sample devices and received compensation on at least some of those invoices before August 23, 1964.

haps would have been the better part of candor to divulge this information when filing the application, and we do not preclude this apparent error of judgment from being raised in connection with the question of fees and costs.

It is therefore ordered, adjudged and decreed that judgment is entered in favor of the plaintiff Skil Corporation and against the defendant Lucerne Products, Inc. on Count I as to Claim 5 and on Count II, and the plaintiff is directed to submit a judgment order in a form agreed to by the defendant on April 9, 1973 at 9:30 a. m.



District Court, N. D. Illinois, E. Div.

SKIL CORPORATION v. LUCERNE PRODUCTS, INC.

70 C 1523

Decided Mar. 26 and June 20, 1973

PATENTS

1. Patentability — Aggregation or combination — Of old elements (§51.159)

A & P v. Supermarket, 340 U.S. 147, 87 USPQ 303, and Toro v. Jacobson, 148 USPQ 628, do not hold that combination of old elements cannot result in an invention, but merely that such combination must be carefully scrutinized to determine novelty; patent retains its presumption of validity during this scrutiny.

2. Patentability — Evidence of — Commercial success — In general (§51.4551)

Although commercial success is not in itself a basis for establishing patent's validity, it is further indication of nonobviousness.

3. Use and sale — Sale (§69.8)

Crucial fact is sale of involved device, not whether seller had Underwriters Laboratory approval or a final assembly line in operation.

4. Costs — Attorney's fees (§25.5)

Prevailing plaintiff is entitled to attorney's fees under 35 U.S.C. 285 where defendant's conduct with respect to litigation was unreasonable, without legal justification, and caused gross injustice to plaintiff.

Particular patents—Switch

Re. 26,781, Frenzel, Trigger Actuated Switch Device, claim 5 valid and infringed.

3,389,365, Matthews, Variable Resistor with Switch, invalid.

Action by Skil Corporation against Lucerne

Products, Inc., for patent infringement and declaratory judgment of patent invalidity. Judgment for plaintiff.

CLARENCE J. FLEMING, JAMES P. RYTHER, and MCDOUGALL, HERSH & SCOTT (THOMAS A. REYNOLDS, JR., WINSTON & STRAWN, and CHARLES M. CARTER of counsel) all of Chicago, Ill., for plaintiff.

JAMES VANSANTEN and HILL, SHERMAN, MERONI, GROSS & SIMPSON, both of Chicago, Ill. (REESE DILL, MERKEL, CAMPBELL, DILL & ZETZER, RICHARD J. EGAN, and BALDWIN, EGAN, WALLING & FETZER, all of Cleveland, Ohio, of counsel) for defendant.

McMILLEN, District Judge.

The issues in the case have been reduced to Count I for infringement of certain claims of Frenzel Reissue Patent 26,781 and Count II for a declaration of invalidity of Matthews patent 3,389,365. The plaintiff Skil Corporation as owner of the Frenzel reissue patent contends that the defendant Lucerne Products, Inc. infringes Frenzel by manufacturing and selling a switch control device under Sahrbacker patent #3,603,757 which defendant owns. 35 U.S.C. § 271(a). The defendant contends its devices do not infringe Frenzel and also that Frenzel is invalid because of non-obviousness and anticipation. For reasons to be discussed, we find that the presumption of validity of the Frenzel reissue patent remains intact on its claim 5 only.

Count II is a declaratory judgment action to declare invalid defendant's Matthews et al. patent 3,389,265 on the grounds, inter alia, of a commercial sale and a publication more than one year before the filing date of August 23, 1965. A case or controversy exists because plaintiff is manufacturing devices which defendant contends infringe the Matthews patent. We find and conclude that the Matthews patent is invalid because it was dedicated to the public under 35 U.S.C. § 102(b).

Plaintiff alleges that the defendant is infringing the original claims 2, 3 & 5 contained in the Frenzel reissue patent. This invention consists of three primary elements which in combination distinguish it from the prior art. The first element is an adjustable assembly connected to the trigger which allows the range of the trigger's movement to the controlled. This correspondingly controls the speed of the motor. The second element consists of a locking device whereby the trigger can be detained in any adjusted position. The third element is referred to in the claims as "catch means" carried by a lug, enabling the operator to finely adjust the motor's speed after the trigger is locked in an operating position. The patentee refers to this aspect of his invention as the "vernier" effect (see Frenzel patent, col. 4, lines 60-73).

[1] The defendant attacks the Frenzel patent as merely a combination of old elements and therefore not entitled to patentability, citing A & P Tea Co. v. Supermarket Corp., 340 U.S. 147, 87 USPQ 303 (1950), and Toro Mfg. Corp. v. Jacobson Mfg. Co., 357 F.2d 901, 148 USPQ 628 (7th Cir. 1966). These cases do not hold, however, that a combination of old elements cannot result in an invention, but merely that a combination of old elements must be carefully scrutinized to determine their novelty. The issued patent retains its presumption of validity during this scrutiny.

The old elements in the case at bar are illustrated by Sparklin patent No. 2,525,839 and an Ingersoll-Rand pneumatic impact tool. The Sparklin patent, considered by the Patent Office in its original examination of the Frenzel invention, is similar in two significant ways to Frenzel: the trigger is used to control the speed of the mechanism and can be locked in position. This is what Claims 1 and 2 of Frenzel's patent consist of. Sparklin fails, however, to teach two of the three primary elements of Frenzel: the adjustable assembly and vernier "catch means". Sparklin's invention is incapable of achieving this result, but it does preclude Claims 1 and 2 of Frenzel's patent on the ground of obviousness, if not complete anticipation.

The Ingersoll-Rand pneumatic, variable speed tool is significant in that it teaches a screw adjusting means as part of the trigger control, precluding Claim 3 of Frenzel as obvious. However, Frenzel's adjustable assembly is comprised of more than a simple screw to control the trigger's stroke. In order to carry out his vernier feature, it is essential that the catch means move relative to the trigger. This is accomplished by element 24 of the Frenzel device which carries the catch means and allows it to move relative to the trigger. The Ingersoll-Rand tool does not embody this feature, or the capability for finely adjusting the motor's speed once an operating position has been achieved.

Thus the prior art taught a locking means for a trigger and a means for varying the range of the trigger's stroke. It fails to suggest Frenzel's vernier adjustment and fails to teach the means necessary to implement such an idea. In particular, it is the unique combination of elements 24, 27 and 42 in connection with the trigger which results in the fine adjustment or vernier capability that we find totally lacking in Sparklin and the Ingersoll-Rand tool or any other prior art brought to our attention.

From the Sparklin invention of 1950 to Frenzel, the defendant has failed to show a single piece of prior art that has remotely sug-

gested the vernier feature. We are satisfied, in light of this record, that Claim 5 of the Frenzel device, when taken as a whole, would not have been obvious to a person having ordinary skill in the related art at the time the invention was made. 35 U.S.C. § 103.

[2] The plaintiff has also satisfied this court that the Frenzel patent has met with considerable commercial success. Although commercial success is not in itself a basis for establishing a patent's validity, it is a further indication of the patented feature's non-obviousness. Graham v. John Deere Co., 383 U.S. 1, 17-18, 148 USPQ 459, 466-467 (1950).

Defendant also contends that certain employees of the Singer Co. developed a device anticipatory of Frenzel's in the Spring of 1965. This became Winchester et al. patent No. 3,439,248 filed January 4, 1966, shortly after Frenzel's original filing. Singer has recently filed interference #97,893 in the Patent Office claiming prior invention. 35 U.S.C. § 102(g). This court has declined to await the outcome of the interference proceeding, and defendant has filed depositions of certain Singer personnel herein. We find that these depositions do not establish priority of the Singer device by the weight of the evidence. They show that Singer's formal testing occurred in December 1965, considerably after the filing date of Frenzel's original application, and that the model allegedly constructed and operated by Singer personnel in the Spring of 1965 was never used to drill any holes, was never reduced to detailed production drawings or recorded in formal testing documents, and was inoperable at the time of the depositions in May 1971. Without purporting to rule on the merits of Singer's pending interference, since it is not a party herein, we find and conclude that defendant in the case at bar has not established that the Winchester invention was reduced to practice prior to Frenzel's device and therefore cannot be anticipatory. Cf. Corona Tire Co. v. Dovan Chemical Corp., 276 U.S. 358, 382-384 (1928).

Defendant's manufacturing under Sahrbacker patent No. 3,603,757, issued September 7, 1971, constitutes infringement of Frenzel's Claim 5. Frenzel and Sahrbacker use almost identical elements in every material respect. The only significant difference between them is in the type of electrical switches used by each, and concededly they are not part of either invention. Based on the evidence produced at trial and an examination of the two patents, which the parties agree illustrate and describe the devices, this court finds that the Sahrbacker device performs substantially the same function in substantially the same way to obtain the same result as Frenzel's Claim 5 and therefore infringes it. Standard Industries v. Tigrett Industries, 397 U.S. 586, 165 USPQ 289 (1970); Graver Tank v. Linde Air Co., 339 U.S. 605, 85 USPQ 328 (1950). King-Seeley Thermos Co. v. Taste Freez Industries, Inc., 357 F.2d 875, 149 USPQ 4 (7th Cir. 1966), cert. den. 385 U.S. 817, 151 USPQ 758 (1966).

The second portion of this case, concerning the alleged invalidity of the Matthews patent, is considerably simpler to resolve. Lucerne agreed to develope a switch to operate the variable speed feature of a Skil electric tool. In order to finance this development and obtain its fruits, Skil placed an order with Lucerne for 100,000 switches on March 2, 1964, calling for 25 to 30 samples to be delivered within two weeks.

Matthews, on behalf of Lucerne, developed a switch with a horizontal rheostat and shipped some hand-made examples of it to Skil in the Spring of 1964. They did not work satisfactorily and Skil returned them.

On about July 4, 1964 Matthews conceived the idea of placing the rheostat in a vertical position, and this change resulted in a satisfactory switch. Lucerne shipped some examples of this modified switch to Skil in July 1964, and Skil received them for testing on August 8, 1964. No restrictions on disclosure were imposed. Lucerne finished its tooling about August 11 and began producing the new switches, although it had no assembly line for quantity production. Over 1,000 of these switches had been sold to Skil by August 20, 1964 and Skil incorporated at least 449 with drills for sale in July and August. Matthews did not file his application for the modified switch until August 23, 1965.

Defendant admits that shipments of the switch with a vertical rheostat were made to Skil before August 23, 1964 but contends that this was for experimental or developmental purposes.* This contention is belied by the fact that Lucerne made no significant changes in the switch after July. Also these shipments

* Defendant's Memorandum of Authorities on Contested Issues, filed on the eve of trial, states on page 25:

> Defendant submitted some experimental sample devices to plaintiff for examination and possible approval more than one year prior to the August 23, 1965 filing date of the application which issued into the Matthews et al. patent but the defendant denies that any such experimental sample devices were approved by Underwriters' Laboratory or were approved for fulfillment of the order by the plaintiff. Defendant submitted invoices to plaintiff seeking compensation for such experimental sample devices and received compensation on at least some of those invoices before August 23, 1964.

were credited against the purchase order for 100,000, and Skil paid Lucerne the agreed price of $3.00 a unit. Finally, in other litigation, when it was to defendant's advantage to establish an early sale date, Matthews testified that Lucerne made sales of switches to Skil in January through June 1964, without mentioning any experimental use. Although the earlier sales involved the switches with the horizontal rheostat, if *they* were not experimental, the switches with the vertical rheostat were not. We find and conclude that the switch had been commercially sold to Skil and thereby dedicated to the public more than a year before the filing date. See The City of Elizabeth et al. v. The American Nicholson Paving Co., 97 U.S. (7 Otto) 126 (1877); Watson v. Allen, 254 F.2d 342, 117 USPQ 68 (D.C. Cir. 1958).

[3] The fact that Underwriters Laboratory did not approve the switch with the vertical rheostat until September 3, 1964 does not change the date of the first sale. Defendant notified Underwriters that it was ready for testing of switches made with production tooling on July 15, 1964. Even though Skil's purchase order and defendant's product liability insurer both required Underwriters' approval, neither of these facts preclude Lucerne from producing and selling unapproved switches as soon as they were ready. Matthews verily believed the modified switch would work, and he would not be expected to let his production facilities lie idle while awaiting the UL approval. The crucial fact is the sale, not whether defendant had UL approval or a final assembly line in operation.

Plaintiff also introduced evidence that a magazine entitled Electrical Equipment published a description and photograph of the modified Matthews device shortly before August 23, 1964. There is evidence from Post Office officials that this magazine was mailed out over the weekend before August 24 (which was a Monday) but no evidence that it was received by any subscriber or purchaser before that date. Furthermore the description of the switch in the magazine is not sufficiently detailed to constitute publication within the meaning of 35 U.S.C. § 102(b). Application of Le Grice, 301 F.2d 929, 936, 133 USPQ 365, 371-372 (CCPA 1962); Accord Philips Electronic & Pharmaceutical Industries Corp. v. Thermal and Electronics Industries, Inc., 450 F.2d 1164, 171 USPQ 641 (3rd Cir. 1971); Bros, Inc. v. W. E. Grace Manufacturing Co., 351 F.2d 208, 147 USPQ 1 (5th Cir. 1965), cert. den., 383 U.S. 936, 148 USPQ 772 (1966). We find that the evidence of publication is not sufficiently clear and convincing to set aside the Matthews patent, although it does tend to confirm that defendant was producing and selling the switch to Skil more than one year before the date of Matthews' application.

It is not necessary at this stage of the case to reach plaintiff's final point that withholding of information concerning sales of switches with the horizontal rheostat constituted such fraud on the Patent Office as would void the patent. We find that the deposition of the former Solicitor of the Patent Office, Joseph Schimmel, is admissible, but we do not find that plaintiff has adduced the clear and convincing evidence required to set aside a patent under such cases as Beckman Industries v. Chemtronics, Inc., 439 F.2d 1369, 165 USPQ 355 (5th Cir. 1970). It perhaps would have been the better part of candor to divulge this information when filing the application, and we do not preclude this apparent error of judgment from being raised in connection with the question of fees and costs.

It is therefore ordered, adjudged and decreed that judgment is entered in favor of the plaintiff Skil Corporation and against the defendant Lucerne Products, Inc. on Count I as to Claim 5 and on Count II, and the plaintiff is directed to submit a judgment order in a form agreed to by the defendant on April 9, 1973 at 9:30 a.m.

June 20, 1973

DECISION ON ATTORNEY'S FEES

This court reserved jurisdiction to determine the award of attorney's fees under 35 U.S.C. § 285. Plaintiff has filed a motion to obtain such an award with respect to its declaratory action to declare the defendant's Matthews patent No. 3,389,365 invalid and not infringed. This particular cause of action was first presented by plaintiff in a document entitled "Counterclaim of Plaintiff for Declaratory Judgment" filed on April 16, 1971 as part of a Reply to defendant's Counterclaim which also involved the Matthews patent. We looked askance at this proliferation of the pleadings at the time, not because of the issue raised but because the plaintiff's Counterclaim was contained as part of its Reply to defendant's Counterclaim (which was partially dismissed and eventually withdrawn on the eve of trial).

Plaintiff has phrased its present motion as one under Rule 52(b) to amend our judgment of April 18, 1973. However, the judgment was not entered until April 24, 1973 and paragraph 8 thereof specifically reserved the issue of attorney's fees. Therefore no amendment is necessary or appropriate with respect to the issue raised on this motion. We note, however, that, in our Decision and Order of March 26, 1973 and the Judgment Order of April 24, 1973 thereon, references are made to "Count

II". This should be corrected in all instances to read "Counterclaim of Plaintiff for Declaratory Judgment", since plaintiff did not amend its Complaint to contain a Count II, apparently.

Attorney's fees under § 285 are awarded to the prevailing party "in exceptional cases". Plaintiff was clearly the prevailing party on its Counterclaim for declaratory judgment, and we find and conclude that it constituted an exceptional case within the meaning and intent of Section 285. On the eve of trial and after the parties had filed their compliance with this Court's pre-trial order, defendant withdrew its Counterclaim by which it had sought damages for plaintiff's alleged violation of the Matthews patent. The validity of that patent had been defined as an issue by both parties in the pre-trial document filed January 12, 1973 and remained at issue by virtue of plaintiff's Counterclaim for declaratory judgment even after defendant had withdrawn its Counterclaim.

The trial proceeded on the plaintiff's Counterclaim, as well as on the original Complaint, and defendant's president, Matthews, testified at length in support of his patent. He asserted that sales of switches made pursuant to this alleged invention between July 4 and August 23, 1964 were merely for "experimental" purposes, contrary to his company's prior position and contrary to all documentary evidence. The disingenuousness of his testimony on this subject impressed this court at the time as a gross disregard of the facts, if not bad faith, and as an ill-advised attempt to salvage an invalid patent.

[4] We did not find it necessary in our decision on the merits to determine whether defendant committed fraud, but we left this question open in order to become better advised on the law concerning attorney's fees. It is no longer necessary to decide the more serious question of fraud in view of the Court of Appeals decision in L. F. Strassheim v. Gold Medal Folding Furniture Co., 477 F.2d 818, 177 USPQ 673, (7th Cir., #72-1010, April 23, 1973). We do, however, find that defendant's conduct with respect to plaintiff's Counterclaim for declaratory judgment was unreasonable, without legal justification and caused gross injustice to the plaintiff.

L. F. Strassheim Co. v. Gold Medal Folding Furniture Co., supra, authorizes the award of attorney's fees when a defendant's lack of diligence in discovering or disclosing the true facts resulted in an incorrect court decision on the merits and the setting aside of a settlement and other relief based on that decision. The Court of Appeals in that case somewhat relaxes the requirement of "fraud and wrongdoing" which has traditionally been the test for awarding attorney's fees in this Circuit. Sarkes Tarzian, Inc. v. Philco Corp., 351 F.2d 557, 147 USPQ 172 (7th Cir. 1965). See also, Kearney & Trecker Co. v. Giddings & Lewis, Inc., 452 F.2d 579, 597, 171 USPQ 650, 664-665 (7th Cir. 1972). Unconscionable conduct, bad faith, and other elements present in the case at bar now suffice to satisfy Section 285.

The conclusion that plaintiff's declaratory action constitutes an "exceptional case" is buttressed by the unnecessarily obstreperous attitude of the defendant toward discovery matters. The parties have not argued this point in their briefs, and we will not comb the record to justify our impression that the defendant was primarily, although not exclusively, responsible for the many court appearances which involved discovery and similar pretrial matters. Without basing our decision on plaintiff's present motion on this factor, we believe that it is worthy of further consideration if an award of attorney's fees on plaintiff's Counterclaim is taken to the Court of Appeals.

The record does not specify at exactly what point defendant's conduct converted the plaintiff's declaratory action counterclaim into an "exceptional case". Certainly it was no later than when defendant withdrew its own Counterclaim for infringement on January 15, 1973 and no earlier than when it filed its Reply to plaintiff's Counterclaim for Declaratory Judgment on May 12, 1971. We believe that it is within the jurisdiction of the magistrate to ascertain the period of time between these two dates when attorney's fees can be properly assessed and the amount of these fees, unless the parties can agree on these details without waiver of any errors of law.

We therefore grant plaintiff's motion for reasonable attorney's fees and refer the question of amount to the magistrate on the same terms as specified in paragraph 4 of our order of April 24, 1973 with respect to damages.



SKIL CORPORATION, Plaintiff-Appellee,

v.

LUCERNE PRODUCTS, INC., Defendant-Appellant.

No. 73-1716.

United States Court of Appeals, Seventh Circuit.

Heard May 23, 1974.

Decided Oct. 4, 1974.

Rehearings Denied Oct. 23, 1974 and Nov. 12, 1974.

Patent infringement action. The United States District Court for the Northern District of Illinois, Eastern Division, Thomas R. McMillen, J., found for the plaintiff, 358 F.Supp. 1257, and the defendant appealed. The Court of Appeals, Tone, Circuit Judge, held that Claim No. 5 of reissue patent No. 26,781 for improvement of a switch for insertion in the trigger assembly of variable speed electric drills was invalid for want of invention over prior art. Patent No. 3,339,365 relating to a motor switch with vertical rheostat was invalid for having been commercially sold to plaintiff and thereby dedicated to the public more than a year before filing date.

Affirmed in part and reversed in part.

1. Patents ⇐328(4)

Claim No. 5 of reissue patent No. 26,781 for improvement of switch for insertion in trigger assembly of variable speed electric drills was invalid for want of invention over prior art.

2. Patents ⇐26(1¼)

Combination patent claim should be scrutinized with care proportioned to difficulty and improbability of finding invention in assembly of old elements.

3. Patents ⇐328(2)

Patent No. 3,339,365 relating to motor switch with vertical rheostat was invalid for having been commercially sold to plaintiff and thereby dedicated to public more than a year before filing date. 35 U.S.C.A. § 102(b).

4. Patents ⇐325.11(2)

Where giving of testimony amounted to unconscionable act done with deceptive intent, there was sufficient basis for award of attorneys' fees in patent case. 35 U.S.C.A. § 235.

James Van Santen and Lewis T. Steadman, Chicago, Ill., for defendant-appellant.

Clarence J. Fleming, Thomas A. Reynolds, Jr., Chicago, Ill., for plaintiff-appellee.

Before CUMMINGS and TONE, Circuit Judges, and MATTHES,* Senior Circuit Judge.

* Senior Circuit Judge M. C. Matthes of the Eighth Circuit is sitting by designation.

TONE, Circuit Judge.

This is an appeal by defendant Lucerne Products, Inc. from a judgment holding Claim 5 of plaintiff Skil Corporation's Reissue Patent No. 26,781 valid and infringed, declaring defendant Lucerne Products, Inc.'s Patent No. 3,389,365 invalid under 35 U.S.C. § 102(b) because of sales more than one year before the application was filed, and awarding attorneys' fees to plaintiff by reason of defendant's conduct in seeking to defend the latter patent. Both patents cover speed control devices for switches in variable speed portable electric drills.

Skil manufactures and sells power tools, including variable speed portable electric drills. Lucerne manufactures and sells electric switches that are used in power tools.

The switches involved in this case are mounted in the trigger assembly of the drill. To vary the speed of the drill's electric motor, a rheostat is mounted in the spring-loaded movable trigger of the drill, and as the trigger is depressed or released the rheostat moves, thereby changing the resistance in the circuit of the motor and thus the speed of the motor.

Early in 1964, Skil negotiated a contract with Benjamin H. Matthews, Lucerne's president and principal stockholder, calling for the development by Lucerne of a trigger speed control switch for Skil electric drills. Skil placed a purchase order for 100,000 speed control switches to be delivered over an 18-month period, subject, however, to approval of the switch by Underwriters' Laboratories.

Matthews first developed a switch containing a "horizontal" rheostat, which was a flat strip of carbon-coated material mounted in the trigger mechanism on a horizontal plane. This mechanism proved defective in certain respects, and Matthews redesigned the switch, rotating the strip 90°, putting it on a vertical plane, and formed the movable contact as a sliding clamp with spring fingers on either side of the strip. Triggers incorporating the "vertical" rheostat were shipped to Skil in August 1964. Before August 23, 1964, over 1400 switches with either the horizontal or the vertical rheostat were shipped to Skil and credited against the purchase order for 100,000. Skil drills manufactured beginning in early August contained the vertical rheostat switches. By the end of August 1964, Skil sold 449 drills containing the Matthews switch to the public. On September 3, 1964, Underwriters' Laboratories approved the switch. On August 23, 1965, Matthews filed a patent application on the switch, which resulted in the issuance of U.S. Patent 3,389,365.

Sometime after it commenced manufacturing and selling drills containing the vertical rheostat Lucerne switch, Skil decided that a fine speed adjustability feature should be added to the switch. The project of developing this feature was assigned to Carl Frenzel, a Skil engineer. Frenzel successfully completed his assignment in the manner described below and on December 27, 1965, an application for patent was filed on his behalf. The application was "made special," *i. e.*, given accelerated treatment at the request of the applicant upon his presentation to the Patent Office of the results of a prior art search which, he represented, contained the most recent prior art. U.S. Patent Letter 3,309,484, containing ten claims, was issued on Frenzel's application on March 14, 1967. Over a year later Frenzel filed an application for reissue of the patent based on a second version of the adjustability feature. U.S. Reissue Patent 26,781 containing the original ten claims and additional claims 11 to 14, was granted on February 3, 1970.

Lucerne developed, for sales to other customers after the eighteen month exclusive contract with Skil expired, a speed control adjustability mechanism different from the one manufactured

and sold to Skil, which contained the Frenzel development. This new Lucerne mechanism was developed by Lucerne's Vice President for Sales, Edward Sahrbacker, who received a separate patent, U.S. Patent Letter 3,603,757, on the adjustability switch he developed. The validity of this patent is not before us.

Skil brought this patent infringement action against one of Lucerne's customers, Rockwell Manufacturing Company, alleging that Rockwell, through the use of Lucerne trigger mechanisms in a drill, infringed Frenzel's Reissue Patent 26,781. Lucerne, as Rockwell's indemnitor, was substituted as the defendant. Lucerne filed a counterclaim asserting that Skil had infringed its Matthews Patent. Skil then counterclaimed against Lucerne under the Declaratory Judgment Act for a determination that the Matthews Patent was not infringed and was invalid.

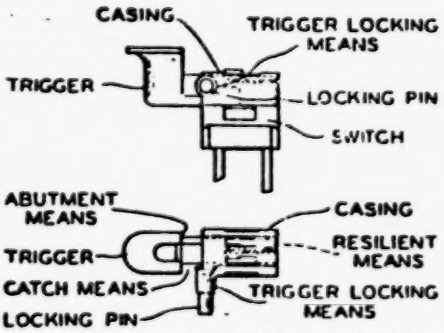
Skil originally claimed that Lucerne had infringed eight claims of its Frenzel Patent but withdrew prior to trial all claims except 2, 3, and 5. Lucerne withdrew its counterclaim, since it would be able to litigate the validity of the Matthews Patent under the Skil counterclaim. Claim 1 was also considered by the District Court, because Claim 5 is dependent on Claim 1.

The District Court held Claims 1, 2, and 3 of the Frenzel patent invalid but held Claim 5 valid and infringed. The court also held the Matthews patent invalid and assessed attorneys' fees against Lucerne on that aspect of the case. Lucerne has appealed the findings of validity of Claim 5 of the Frenzel patent and invalidity of the Matthews patent and the awarding of attorneys' fees. Since Skil did not cross appeal, the validity of Claims 1, 2, and 3 of the Frenzel patent is not before us.

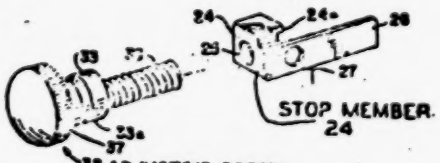
Invalidity of Claim 5 of Frenzel Patent

[1, 2] Frenzel's improvement, in substance, consisted of changing the Lucerne switch,[1] which can form no part of his invention, in the following manner: inserting a stop member between the trigger and the trigger casing positioned to engage the front edge of the casing; mounting a horizontal adjusting screw with its head on the face of the trigger, it shaft passing through the trigger and its threads engaging threads in a hole in the front of the stop member, so that turning the screw variably positions the stop member; and causing the locking pin (which was already in the Lucerne switch) to engage with the stop member instead of directly with the trigger.[2] Turning the screw causes the stop member, or "lug means," to move along the

1. The Lucerne switch, before Frenzel's improvement, had the following basic elements:



2. The stop member (with its round hole to engage the locking pin) and adjusting screw added by Frenzel are shown in the patent (Figure 5) as follows:



shaft of the screw, which varies the position of the stop member and thereby controls how far the trigger can be depressed. When the locking pin is engaged in the stop member, turning the screw moves the trigger.[3] Moving the trigger moves the rheostat and thus changes the speed of the electric motor.

The description of this application of simple mechanical principles in the Frenzel patent proliferated into 14 claims, only one of which, Claim 5, is before us for adjudication. Claims 1, 2 and 3 as we have stated, were held invalid by the District Court, and Skil has not appealed from that determination. The prior art Sparklin Patent No. 2,525,839, which the District Court held "preclude[d] Claims 1 and 2 of Frenzel's patent on the ground of obviousness, if not complete anticipation," teaches controlling the speed of an electric motor by varying the amount of trigger depression and a means of locking the trigger in the depressed position. The prior art Ingersoll-Rand pneumatic impact tool, which the District Court held precluded Claim 3, and which was not before the Patent Office in the prosecution of plaintiff's original or reissue patent, utilized an adjusting screw to vary the amount of trigger depression.

Frenzel's stop member and adjusting screw are described ("lug means carried by said trigger [and] . . . a manually operable adjustment means including a member rotatably carried by the trigger and engaged with said lug means for moving the same in either direction along said path of movement thereof") in invalid Claim 1, on which Claim 5 is dependent. Claim 5, which merely adds the locking feature, reads as follows:

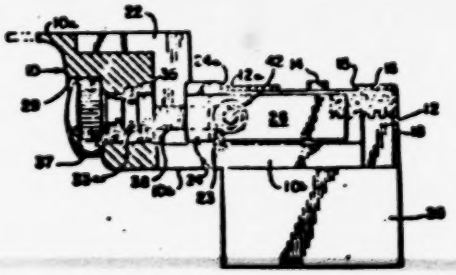
> "The switch device according to claim 1 further defined by, trigger locking means including a locking pin, which locking means is mounted on said casing for extending through a bore in the tool housing thereby to expose said pin for manual depression, catch means carried by said lug means and adapted to be releasably locked by said pin when the catch means is aligned with the pin."

Invalid Claim 2 describes the entire switch, including the locking means. The portion of invalid Claim 2 which is comparable to Claim 5 is as follows:

> ". . . said device including locking means engagable with said element [the stop member] for locking said trigger in any one of its positions determined by engagement of said element with said abatement means."

The District Court found in Claim 5 a "vernier adjustment" which he did not find in Claim 2. The court said, referring to the patent drawings, that it was the "unique combination of elements 24, 27 and 42 in connection with the trigger which results in the fine adjustment or vernier capability that we find totally lacking in" the cited prior art. Element 24 is the lug portion of the stop member that is threaded to receive the adjusting screw and abuts against the trigger housing; 27 is the hole in the side plate

3. The entire Frenzel switch device is shown in the patent (Figure 4) as follows:



of the stop member that receives the locking pin; and 42 is the locking pin.[4]

The stop member and the adjusting screw are in Claim 1, which the District Court held invalid, and are concededly not invention. The invention, if Claim 5 is valid and Claim 1 is not, must consist of adding the locking pin and the hole in the stop member. The locking pin and a rectangular depression in the trigger to engage the pin were already in the Lucerne switch before Frenzel made his improvement. He simply made the locking pin engage with the stop member, which is connected to the trigger by the adjusting screw, instead of directly with the trigger.

We do not have the benefit of specific findings by the District Court as to the level of ordinary skill in the art (cf. Graham v. John Deere Co., 383 U.S. 1, 17, 86 S.Ct. 684, 693, 15 L.Ed.2d 545 1966)), but it is apparent from the record that the designing of portable electric tools is a crowded art in which there is a high level of ordinary skill. We think Frenzel's improvement would have been obvious to any person with ordinary skill in that art. We therefore hold Claim 5 invalid for obviousness.

In reaching this conclusion we apply the standard that a claimed invention consisting of old elements must pass a "rather severe test," Toro Mfg. Corp. v. Jacobson Mfg. Co., 357 F.2d 901, 904 (7th Cir. 1966), and are obedient to the mandate laid down in A & P Tea Co. v. Supermarket Corp., 340 U.S. 147, 152–153, 71 S.Ct. 127, 130, 95 L.Ed. 162 (1950):

> "Courts should scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements. The function of a patent is to add to the sum of useful knowledge. Patents cannot be sustained when, on the contrary, their effect is to subtract from former resources freely available to skilled artisans. A patent for a combination which only unites old elements with no change in their respective functions, such as is presented here, obviously withdraws what already is known into the field of its monopoly and diminishes the resources available to skillful men."

At trial, Lucerne introduced evidence concerning a trigger device developed by Singer Manufacturing Company, a Skil competitor, the subject of Winchester Patent 3,439,248, contending that the Singer device was reduced to practice prior to the Frenzel device and therefore was a part of the prior art. The District Court noted that there was an interference pending before the U.S. Patent Office but refused to await the outcome of that proceeding and held that the depositions and evidence presented by Lucerne failed to prove the priority of the Singer device. While this appeal was pending, the Patent Office Board of Interference Examiners concluded that Singer had demonstrated an actual reduction to practice of its device prior to the date conceded by Frenzel to be the date of conception of his device. Patent Interference No. 97,893, Winchester, et al. v. Frenzel, February 25, 1974. The Winchester patent shows a device that is similar in important respects to Frenzel's and is capable of being locked into any one of four positions. Its teaching, whether treated as prior art or as evidence of the state of skill in the art and the ease with which an adjustability feature could be designed by one seeking to do so, reinforces our conclusion that Claim 5 is invalid for obviousness.

Invalidity of the Matthews Patent under Section 102(b)

[3] The District Court held the Matthews patent invalid under 35 U.S.C. § 102(b), which denies patentability if

> "the invention was . . . in public use or on sale in this country more than one year prior to the date of the

4. See the drawings in footnotes 2 and 3, *supra*.

application for patent in the United States, ..."

The Matthews application was filed August 23, 1965. Lucerne contends that the sale of the switches developed under the Matthews patent before September 3, 1964, the date on which Underwriters' approval was received, were experimental and therefore not sales under the statute. The District Court's holding that there was an actual sale before August 23, 1964, the date one year before the patent application was filed, is adequately supported by the evidence summarized above that in July and August 1964 Lucerne shipped to Skil over 1400 trigger mechanisms which were credited against the Skil purchase order of 100,000, and a substantial number of these switches were incorporated by Skil into drills sold to the public. Moreover, in a deposition in another case, Skil Corporation v. Sears Roebuck & Co. and Culter-Hammer, Inc., Matthews himself testified that the first sale of the speed control device to Skil was on April 22, 1964 and did not state that this sale was on an experimental basis. The District Court properly concluded that "the switch had been commercially sold to Skil and thereby dedicated to the public more than a year before the filing date."

Attorneys' Fees

[4] The last issue to be decided is whether the District Court erred in awarding attorneys' fees to Skil as the prevailing party on the Matthews patent claim under the authority of 35 U.S.C. § 285, which provides:

"The court in exceptional cases may award reasonable attorney fees to the prevailing party."

The district judge appears to have based his determination that the case was "exceptional" principally on his finding that the testimony of Matthews that sales before August 23, 1964 were for experimental purposes, was disingenuous. The court said that the testimony was

". . . contrary to his company's prior position and contrary to all documentary evidence. The disingenuousness of his testimony on this subject impressed this court at the time as a gross disregard of the facts if not bad faith, and as an ill-advised attempt to salvage an invalid patent."

The court concluded that in view of our decision in L. F. Strassheim Co. v. Gold Medal Folding Furniture Co., 477 F.2d 818, 824 (7th Cir. 1973), it was unnecessary to determine that there was fraud in order to award attorneys' fees under 35 U.S.C. § 285, and that it was enough to find, as the court did, that the defendant's conduct was "unreasonable, without legal justification and caused gross injustice to the plaintiff." Lucerne contends that an unconscionable act in the nature of fraud or bad faith is necessary to make the case exceptional under the statute, and that since the District Court found neither of these elements present its decision must be reversed. This argument ignores the *Strassheim* case, in which the court held that fraud was not necessary to support an award of attorneys' fees. Even in the absence of *Strassheim*, accepting, as we do, the District Court's findings with respect to Matthews' testimony, that testimony amounted to an unconscionable act done with deceptive intent and was a sufficient basis for an award of attorneys' fees. Kearney & Trecker Corp. v. Giddings & Lewis, Inc., 452 F.2d 579, 597 (7th Cir. 1972), cert. denied, 405 U. S. 1066, 92 S.Ct. 1500, 31 L.Ed.2d 796 (1972).

In reaching that conclusion we need not and do not consider the other matters referred to by the District Court as additional reasons for assessing attorneys' fees.

The judgment of the District Court is reversed insofar as it holds Claim 5 of the Frenzel patent valid and is in other respects affirmed.

Affirmed in part and reversed in part.

Feb. 3, 1970 C. J. FRENZEL Re. 26,781

TRIGGER ACTUATED SWITCH DEVICE

Original Filed Dec. 27, 1963 2 Sheets-Sheet 1

FILED
MAR 15 1974
12 11. STUART CUNNINGHAM
o'clock
CLERK

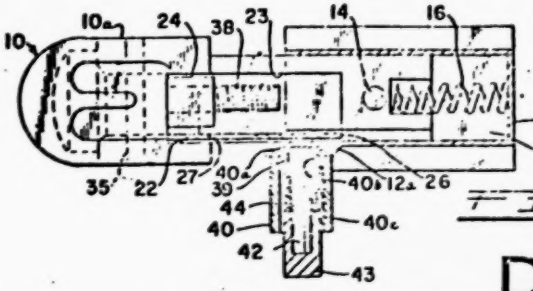


FIG. 2

DOCKETED

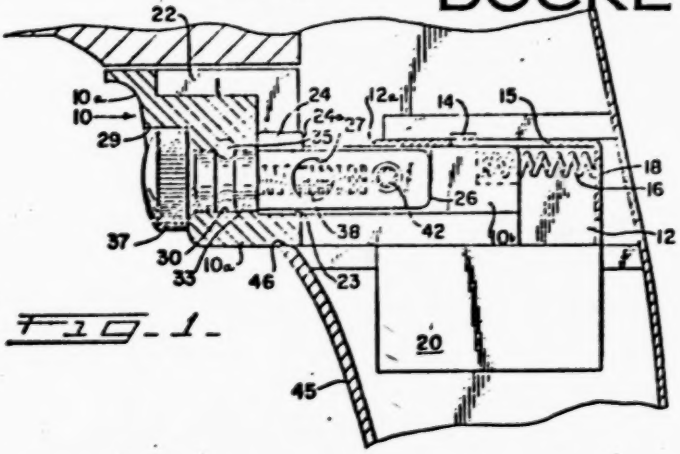


FIG. 1

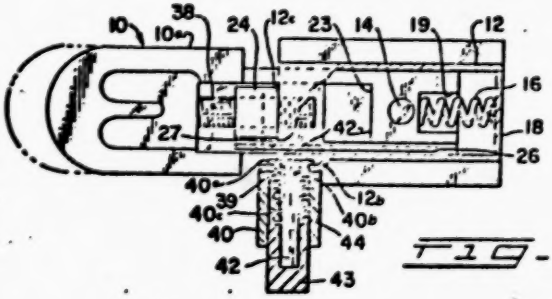


FIG. 3

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Feb. 3, 1970 C. J. FRENZEL Re. 26,781

TRIGGER ACTUATED SWITCH DEVICE

Original Filed Dec. 27, 1965 2 Sheets-Sheet 2

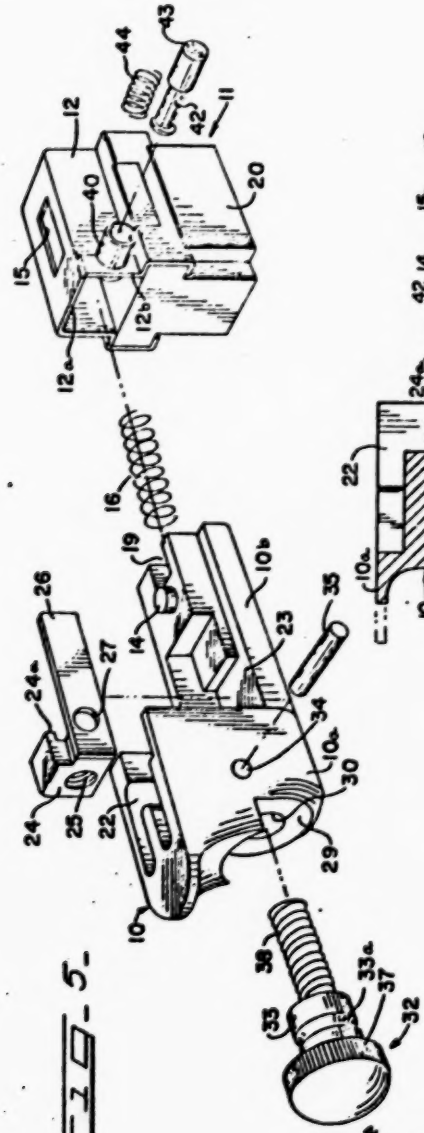


FIG. 5.

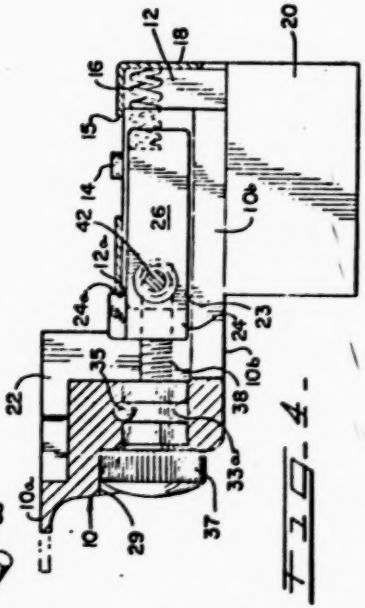


FIG. 4.

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United States Patent Office

Re. 26,781
Reissued Feb. 3, 1970

26,781
TRIGGER ACTUATED SWITCH DEVICE

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Original No. 3,309,484, dated Mar. 14, 1967, Ser. No. 516,331, Dec. 27, 1965. Application for reissue Apr. 4, 1968, Ser. No. 719,792
Int. Cl. H01h 9/06, 13/08, 21/10
U.S. Cl. 200—157 14 Claims

Matter enclosed in heavy brackets [ ] appears in the original patent but forms no part of this reissue specification; matter printed in italics indicates the additions made by reissue.

ABSTRACT OF THE DISCLOSURE

The trigger carries a rotatable knob. Rotation of this knob moves an adjustable stop on the trigger which is arranged for abutting engagement with a fixed stop on the switch casing thereby to control the stroke of trigger movement. The trigger may be locked in any depressed position thereof wherein the adjustable stop is in abutting engagement with the fixed stop.

This invention relates to trigger actuated switch devices for portable tools, and more particularly the invention relates to a new and improved trigger operated switch device including adjustable stop means for varying the stroke of the trigger and further including rocking means for locking the trigger against the adjustable stop means in all positions of the latter.

By way of background, reference is made to Gawron Patent No. 3,209,228, assigned to the assignee of the present invention. The Gawron patent discloses and claims a variable speed control system for portable power tools, such as power drills, which system includes a silicon controlled rectifier circuit having a variable resistor or potentiometer operated by the tool trigger. In this system, the speed of the tool motor is increased as the tool trigger is depressed or squeezed. By way of example, the speed of the tool motor may be gradually varied from 0 to 2,000 r.p.m.

In performing some operations using a power tool provided with a speed control system, such as the aforementioned Gawron system, it may be desirable to operate the tool a number of times, in a consecutive manner, at a predetermined speed, say 1,000 r.p.m. and/or it may be desirable to operate the tool for an extended period of time at a predetermined constant speed. The present invention provides a trigger actuated switch device for use with a tool and speed control system of the type described, which switch device includes an adjustable stop for varying the stroke of the trigger to allow operation of the associated tool at a desired or predetermined speed by squeezing the trigger until it is stopped, and which switch device further includes locking means for locking the trigger at any and all of its stopped positions.

A primary object of the present invention is the provision of a trigger actuated switch device including unique, manually operable means for adjusting the stroke of the trigger.

Another object of the present invention is the provision of a trigger actuated switch device having adjustable stop means for varying the stroke of the trigger and further including locking means for releasably locking the trigger in any and all of its stopped positions.

Still another object of the present invention is the provision of a trigger actuated switch device capable of fulfilling the aforementioned objects and also being capable of providing precision-like control of the tool trigger

thereby to provide corresponding control of the speed of the associated motor.

These and other objects and advantages of the invention will become apparent from the following specification disclosing a preferred embodiment of the invention which is illustrated in the accompanying drawings wherein:

FIG. 1 is a partially sectioned side elevation of one embodiment of the trigger actuated switch device of the present invention showing the same mounted in a portable tool, such as a power drill;

FIG. 2 is a partially sectioned top plan view of the switch showing the trigger in its fully extended or off position;

FIG. 3 is a partially sectioned top plan view of the switch device showing the trigger in one of its stopped positions;

FIG. 4 is a partially sectioned side elevation of the switch device in the configuration illustrated in FIG. 3; and

FIG. 5 is an exploded, perspective view of the trigger operated switch device.

Referring now to the drawings, the illustrated embodiment of the trigger actuated switch device of this invention includes a trigger 10 of unitary construction having a finger engageable portion 10a and a stem portion 10b. The switch unit further includes a casing 11 having a sheet metal member 12 defining a guideway slidably receiving stem portion 10b of the trigger. Stem portion 10b includes or carries an upwardly extending projection or button 14 which is received in an elongated slot 15 formed in the top wall of casing 12. Abutting engagement of the button 14 with opposite ends of the slot 15 determines the maximum stroke of the trigger. A spring 16 contained within the casing 12 yieldably urges the trigger 10 to its outermost or extended position, i.e., the off position, which is established by abutting engagement of button 14 with the front end of slot 15 (see FIG. 1). One end of spring 16 abuts an end plate 18 of the casing 12, and the other end of the spring is received within a cavity 19 formed in trigger stem 10b.

Casing 11 includes suitable means 20 defining a compartment adapted to receive the various components of a control system, such as the variable speed control system disclosed and claimed in the aforementioned Gawron patent. As mentioned above, the Gawron system includes a variable resistor which is operated by trigger movement. By way of example, this variable resistor may consist of a contact carried by trigger stem 10b and slidable along a rectilinear contact strip of resistance material (not shown) supported by member 20 so that the resistance is changed by movement of the trigger. As explained in the aforementioned Gawron patent, this change of resistance causes a corresponding change in the speed of the tool motor. Preferably, stem 10b and member 20 will also include cooperating contacts and contact strips constituting the "on-off" and "by-pass" switches referred to in the above mentioned Gawron patent.

The finger engageable portion 10a of the trigger includes a recess 22, and the stem portion 10b of the trigger includes a recess 23. Recesses 22 and 23 are in communication with each other. A lug or nut 24 is received within recesses 22, 23. Recess 22 has opposite side walls, and recess 23 has one side wall, all of which side walls act to prevent rotation of lug [24] as will become apparent from the following specification. Lug 24 includes a threaded through bore 25. A catch plate 26, either integral with plate 24 or suitably secured thereto, includes an opening 27.

Finger engageable portion 10a of the trigger has a cavity or cut-out 29 at the front thereof. Portion 10a

of the trigger also has a bore 30 with the central axis thereof extending parallel with the direction of trigger movement. Bore opens at one [*end*] of its ends into recess 22 and opens at its other end into the cavity or cut-out 29.

An adjustment screw 32 has a cylindrical portion 33 rotatably received in bore 30 of trigger portion 10a. This cylindrical portion includes an annular groove 33a. Trigger portion 10a includes a cross bore 34 in which a pin 35 is received. As noted in FIG. 1, the pin 35 extends into annular groove 33a of the adjustment screw. It will be apparent that the adjustment screw 32 may be rotated relative to the trigger but [*that*] axial movement between the adjustment screw and the trigger is prevented by the pin 35. The adjustment screw further includes a knurled knob or button portion 37 which is received within the cut-out or cavity 29 of the trigger 10.

The adjustment screw 32 has a threaded shank portion 38 threadingly received in the threaded opening 25 of the lug 24. This threaded portion of the shank actually serves to support the lug on the trigger. As mentioned above, the various side walls of recesses 22 and 23 prevent rotation of the [*lug*] 24. Therefore, it will be apparent that upon rotation of the adjustment screw 32, lug 24 will be moved along the shank 38 i.e., relative to the trigger, depending on the direction of rotation of the adjustment screw 32. Movement of lug 24 causes movement of plate 26 as these two members are either integral or suitably secured together.

Lug 24 includes a lip or abutment face 24a, which face is arranged for abutting engagement with edge 12a of the casing (see FIGS. 4 and 5). Abutting engagement of face 24a and 12a stops the trigger, i.e., limits the amount of movement or the stroke thereof.

One side wall of the casing 12 includes a bent-out portion 12b (FIGS. 2 and 3) having an opening 39 therein. A sleeve 40 includes a reduced-in-diameter portion 40a at one end thereof, which portion is fitted within the opening 39. This engagement between opening 39 and reduced-in-diameter portion 40a serves as a means for mounting the sleeve 40 on the casing 12. Sleeve 40 includes a first bore 40b and a coaxial, larger-in-diameter bore 40c. A pin 42 having a head 42a is slidably mounted in bore 40b. A button 43 is secured to the outer end of pin 42, which button is slidably received within bore 40c. A spring 44 encircles pin 42. One end of the spring abuts an annular shoulder between bores 40b, 40c, and the other end of the spring abuts the inner end of button 43.

The spring 44 acts to urge pin 42 and button 43 outwardly with the head 42a of the pin against reduced-in-diameter end 40a of the sleeve (see FIG. 3). As will be explained hereinbelow, pin 42 is adapted to be inserted in opening 27 of the plate 26 for locking the trigger in its fully depressed or stopped position which is determined by abutting engagement of button 14 with the inner end of slot 15 and in any stopped position determined by abutting engagement of face 24a with casing edge 12a.

For purposes of the following discussion of the operation of the trigger actuated switch device of this invention, assume that the same is mounted within the pistol grip portion of a portable tool, such as a power drill. The pistol grip portion of a power tool is fragmentarily illustrated in FIG. 1 and designated by the numeral 45. When the trigger operated switch unit is mounted in the handle grip portion of the tool, trigger portion 10a extends outwardly through an opening 46 in the tool housing thereby to permit manual depression of the trigger. The tool housing also includes an opening (not shown) for accommodating sleeve 40 of the locking mechanism. Assume further, for purposes of illustration only, that the compartment 20 contains the various components of the variable speed control system covered in the aforesaid Gawron patent. The trigger 10 will be connected to the variable resistor in such circuit so that as the trigger is depressed, the speed of the associated tool motor is correspondingly increased.

If it is not desired to use the adjustable stop and locking feature of the present invention, knurled knob 37 of the adjustment screw 32 is rotated for moving lug 24 to the left until it is fully seated within the recess 22 (FIGS. 1 and 2). In this position of the lug 24, the trigger may be squeezed or depressed until the button 14 comes into abutting engagement with the inner end of slot 15. With the trigger in this position, i.e., its maximum position, maximum speed of the associated tool is obtained. When trigger 10 is depressed as just explained, face 24a may be in abutting engagement with edge 12a or there may be a slight space between these two surfaces.

If it is desired to operate the tool motor at a speed somewhat less than its maximum speed, knob 37 of the adjustment screw is rotated for running lug 24 to the right as illustrated in the drawings. Experience in using a tool incorporating the present invention will enable the operator to know approximately how many revolutions of the knob 37 are required to bring about the desired speed of the tool. Of course, indicia (not shown) on either the button 37 or the trigger or both could be provided to indicate various speeds or trigger positions. After the lug 24 has been run along the threaded portion 38 of the adjustment screw by rotating the same, the trigger is squeezed until face 24a comes into abutting engagement with edge 12a *thereby establishing a certain control position of the trigger.* If the speed of the motor is not as desired, the trigger can be released and the knob 37 rotated in one direction or the other in order to change the speed of the motor when the trigger is again depressed *thereby establishing another control position of the trigger.*

When face 24a is brought into abutting engagement with edge 12a of the casing by squeezing of the trigger, opening 27 in plate 26 is in alignment with pin 42. Accordingly, if it is desired to lock the trigger in its stopped position, i.e., its position wherein face 24a is in abutting engagement with edge 12a, button 43 is depressed thereby causing head 42a of the pin to be forced through the opening 27 in the plate 26. Releasing of the trigger will allow the spring 16 to force the trigger slightly forwardly until the trailing portion of the opening 27 engages the shank of the pin 42 adjacent the head 42a. The trigger is unlocked by squeezing the trigger slightly until the opening 27 is brought into alignment with head 42a; when the trigger is in this position, spring 44 will act to force pin 42 outwardly clear of the plate 26, thereby releasing the trigger. It should also be mentioned that when lug 24 is in its forwardmost position relative to the trigger and when the trigger is depressed its maximum amount determined by button 14 abutting the innermost end of the slot 15, the opening 27 is in alignment with pin 42 thereby permitting the trigger to be locked in its maximum depressed position. Locking the trigger in this position permits continuous operation of the tool at its maximum speed.

It should be noted that if the trigger is depressed and locked against movement by pin 42, rotation of the adjustment button 37 will then cause movement of the trigger and, accordingly, a change in the speed of the associated tool motor. This result occurs because the engagement of the pin 42 in the opening 27 prevents axial movement of the lug 24. Therefore, when the adjustment screw 32 is rotated, the latter and the trigger itself are moved. When the trigger is locked by the pin 42 and the button 37 rotated as just described, the button 37 acts as a vernier to provide precise trigger control and therefore corresponding speed control for the associated motor.

It should be apparent that the present invention provides a unique means for adjustment or varying the stroke

of the tool trigger and for locking the tool trigger when it is squeezed and stopped by operation of the adjustable stop. The knob 37 can be readily manipulated; this knob does not require an additional opening in the power tool housing as the former is contained within the tool trigger. As explained above, when the locking mechanism is actuated first and the adjustment screw then rotated, the latter acts as a vernier for providing precision-like control of the speed of the associated tool motor.

While the invention has been shown in but one form, it will be obvious to those skilled in the art that it is not to be so limited. On the contrary, the invention is susceptible of various forms and modifications without departing from the spirit and scope of the appended claims.

I claim:

1. In a portable tool having a trigger receiving housing aperture, wherein the tool is of the type adapted to contain a control system capable of varying the speed of the tool motor in response to the amount of trigger movement, a trigger actuated switch device for mounting in said tool with the trigger extending through said aperture for manual depression, said switch device comprising, a casing, a trigger mounted by the casing for oscillating movement, resilient means carried by the casing and engaged with the trigger for urging the same to its extended position, said trigger including guide means extending in parallel relation with the direction of trigger movement, lug means carried by said trigger and engaged with said guide means for movement in either direction therealong, a manually operable adjustment means including a member rotatably carried by the trigger and engaged with said lug means for moving the same in either direction along said path of movement thereof, and abutment means on said casing arranged to be engaged by said lug means upon depression of the trigger thereby to limit the amount of movement of the latter for establishing a selected speed of the tool motor.

2. In a portable tool having a trigger receiving housing aperture, wherein the tool is of the type having a control system capable of varying the speed of the tool motor in response to the amount of trigger movement, a trigger actuated electric switch device for mounting in said tool with the trigger extending through said aperture for manual depression, said switch device comprising, a casing and a trigger mounted thereby for oscillating movement, said device also including resilient means interposed between said casing and said trigger for urging the latter to its extended position, abutment means carried by said casing, adjustment means carried by said trigger including an element movable relative to the latter to and away from said abutment means along a path corresponding to the path of movement of the trigger, said element being arranged to abut said abutment means upon depression of the trigger thereby to limit the amount of movement of the latter for establishing a selected speed of the tool motor, said device including locking means engageable with said element for locking said trigger in any one of its positions determined by engagement of said element with said abutment means.

3. The switch device according to claim 1 wherein said adjustment means includes a button rotatably mounted in a bore in said trigger and being exposed for manual control.

4. The switch device according to claim 3 wherein said adjustment means further includes a screw connected to said button for rotation thereby, and wherein said lug means includes a member having an opening threadingly receiving said screw.

5. The switch device according to claim 1 further defined by, trigger locking means including a locking pin, which locking means is mounted on said casing for extending through a bore in the tool housing thereby to expose said pin for manual depression, catch means carried by said lug means and adapted to be releasably locked by said pin when the catch means is aligned with the pin.

6. A trigger actuated switch device for mounting in the housing of a portable tool with the trigger extending through a housing aperture for manual depression, wherein the tool is of the type adapted to contain a control system capable of varying the speed of the tool motor in response to the amount of trigger movement, said switch device comprising, a casing, a trigger mounted by the casing for reciprocating movement relative thereto, resilient means carried by the casing and engaged with the trigger for urging the same to its extended position, said trigger including means defining a guideway extending parallel with the direction of trigger movement, a lug in said guideway and adapted for movement in either direction therealong, which lug includes a threaded opening extending parallel with the direction of movement of the lug, said trigger including a bore extending parallel with the direction of trigger movement and opening at the front of said trigger, adjustment screw means rotatably mounted in said bore and having a portion thereof disposed exteriorly of said trigger adjacent the front thereof, means for preventing axial movement of said adjustment screw means relative to said trigger, said adjustment screw means being threadingly engaged in the opening of said lug for moving the latter in response to rotation of the former, and abutment means on said casing arranged to be engaged by said lug upon depression of the trigger thereby to limit the amount of movement of the latter.

7. The switch device according to claim 6 further defined by, trigger locking means including a locking pin, which locking means is mounted on said casing for extending through a bore in the tool housing thereby to expose said pin for manual depression, catch means carried by said lug and adapted to be releasably locked by said pin when the catch means is aligned with the pin.

8. A trigger actuated switch device for mounting in the housing of a portable tool with the trigger extending through a housing aperture for manual depression, wherein the tool is of the type adapted to contain a control system capable of varying the speed of the tool motor in response to the amount of trigger movement, said switch device comprising, a casing, a trigger mounted by the casing for reciprocal movement relative thereto, resilient means carried by the casing and engaged with the trigger for urging the same to its extended position, said trigger including means defining a guideway extending parallel with the direction of trigger movement, a lug in said guideway and adapted for movement in either direction therealong, which lug includes a threaded opening extending parallel with the direction of movement of the lug, said trigger including a cavity at the front thereof, said trigger further including a bore extending parallel with the direction of trigger movement and opening into said cavity, an adjustment screw rotatably mounted in said bore and having the head thereof received within said cavity, means for preventing axial movement of said adjustment screw relative to the trigger, said adjustment screw having a threaded portion threadingly engaged in the opening of said lug for moving the latter in response to rotation of the former, abutment means on said casing arranged to be engaged by said lug upon depression of the trigger thereby to limit the amount of movement of the latter, trigger locking means including a locking pin, which locking means is mounted on said casing for extending through a bore in the tool housing thereby to expose said pin for manual depression, catch means carried by said lug and adapted to be releasably locked by said pin when the catch means is aligned with the pin.

9. The switch device according to claim 8 wherein said catch means includes a plate having an opening therein for receiving said pin.

10. The switch device according to claim 8 further defined by, said casing including a compartment adapted to receive the components of a solid state speed control circuit.

11. For use with a portable tool having a housing with a trigger receiving aperture, wherein such tool is of the type adapted to use a control system capable of varying the speed of the tool motor in response to the amount of trigger movement, a trigger actuated switch device for mounting in said housing with the trigger extending through said aperture for manual depression, said switch device comprising, a casing, a trigger mounted by the casing for oscillating movement relative thereto, resilient means interposed between said trigger and said casing for urging the former in one direction of movement thereof to an extended position, a fixed abutment surface on said casing and a movable abutment surface on said trigger for movement relative thereto, manual adjustment means carried by said trigger and connected with said movable abutment surface for moving the same to one position permitting said trigger to be moved a first distance in its other direction thereby establishing a first control position, which adjustment means also serve to move said movable abutment surface to at least one other position, whereby the same, upon movement of said trigger in said other direction, abuts said fixed abutment surface thereby to limit the amount of movement of said trigger in the other direction to a distance less than said first distance thereby establishing a second control position.

12. The trigger actuated switch device according to claim 11 further defined by, manually operated locking means on said casing and cooperating catch means on said trigger for locking the latter in both its first and second control positions.

13. The trigger actuated switch device according to claim 11 further defined by, said trigger being mounted for reciprocal movement and including a bore extending in parallel relation with its path of movement, said adjustment means including a member rotatably mounted in said bore and having a finger-manipulated knob at the outer end thereof for rotating said member, said member carrying said movable abutment surface for moving the latter between said one and said other position thereof upon rotation of said knob.

14. For use with a portable tool having a housing with a trigger-receiving aperture, wherein the tool is of the type adapted to use a control system capable of varying the speed of the tool motor in response to the amount of trigger movement, a trigger actuated switch device for mounting in said tool with the trigger extending through said aperture for manual depression, said switch device comprising, a casing and a trigger mounted thereby for oscillating movement, said device also including resilient means interposed between said casing and said trigger for urging the latter to its extended position, abutment means carried by said casing, adjustment means carried by said trigger and including an element adapted for abutting engagement with said abutment means, said element being movable relative to the trigger by operation of said adjustment means thereby to vary the limit of trigger movement upon depression of the trigger.

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ROBERT S. MACON, Primary Examiner

D. SMITH, Jr., Assistant Examiner

U.S. Cl. X.R.

74—527

U.S. CODE TITLE 35, PATENTS

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§ 102. Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

§ 103. Conditions for patentability; non-obvious subject matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

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§ 112. Specification

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention. A claim may be written in independent or dependent form, and if in dependent form, it shall be construed to include all the limitations of the claim incorporated by reference into the dependent claim.

An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof. (Amended July 24, 1965, Public Law 89-83, sec. 9, 79 Stat. 261.)

§ 282. Presumption of validity; defenses

A patent shall be presumed valid. Each claim of a patent (whether in independent or dependent form) shall be presumed valid independently of the validity of other claims; dependent claims shall be presumed valid even though dependent upon an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting it.

The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

(1) Noninfringement, absence of liability for infringement, or unenforceability,

(2) Invalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition for patentability,

(3) Invalidity of the patent or any claim in suit for failure to comply with any requirement of sections 112 or 251 of this title.

(4) Any other fact or act made a defense by this title.

In actions involving the validity or infringement of a patent the party asserting invalidity or noninfringement shall give notice in the pleadings or otherwise in writing to the adverse party at least thirty days before the trial, of the country, number, date, and name of the patentee of any patent, the title, date, and page numbers of any publication to be relied upon as anticipation of the patent in suit or, except in actions in the United States Court of Claims, as showing the state of the art, and the name and address of any person who may be relied upon as the prior inventor or as having prior knowledge of or as having previously used or offered for sale the invention of the patent in suit. In the absence of such notice proof of the said matters may not be made at the trial except on such terms as the court requires. (Amended July 24, 1965, Public Law 89-83, sec. 10, 79 Stat. 261.)

PATENTS—FEES

For Legislative History of Act, see p. 2315
PUBLIC LAW 89-83; 79 STAT. 259
[H. R. 4185]

An Act to fix the fees payable to the Patent Office, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That:

The items numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10, respectively, in subsection (a) of section 41, title 35 United States Code,[27] are amended to read as follows:

"1. On filing each application for an original patent, except in design cases, $65; in addition, on filing or on presentation at any other time, $10 for each claim in independent form which is in excess of one, and $2 for each claim (whether independent or dependent) which is in excess of ten. Errors in payment of the additional fees may be rectified in accordance with regulations of the Commissioner.

"2. For issuing each original or reissue patent, except in design cases, $100; in addition, $10 for each page (or portion thereof) of specification as printed, and $? for each sheet of drawing.

"3. In design cases:

"a. On filing each design application, $20.

"b. On issuing each design patent: For three years and six months, $10; for seven years, $20; and for fourteen years, $30.

"4. On filing each application for the reissue of a patent, $65; in addition, on filing or on presentation at any other time, $10 for each claim in independent form which is in excess of the number of independent claims of the original patent, and $2 for each claim (whether independent or dependent) which is in excess of ten and

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[27] 35 U.S.C.A. § 41(a).

also in excess of the number of claims of the original patent. Errors in payment of the additional fees may be rectified in accordance with regulations of the Commissioner.

"5. On filing each disclaimer, $15.

"6. On appeal for the first time from the examiner to the Board of Appeals, $50; in addition, on filing a brief in support of the appeal, $50.

"7. On filing each petition for the revival of an abandoned application for a patent or for the delayed payment of the fee for issuing each patent, $15.

"8. For certificate under section 255 or under section 256 of this title, $15.

"9. As available and if in print: For uncertified printed copies of specifications and drawings of patents (except design patents), 50 cents per copy; for design patents, 20 cents per copy; the Commissioner may establish a charge not to exceed $1 per copy for patents in excess of twenty-five pages of drawings and specifications and for plant patents printed in color; special rates for libraries specified in section 13 of this title, $50 for patents issued in one year. The Commissioner may, without charge, provide applicants with copies of specifications and drawings of patents when referred to in a notice under section 132.

"10. For recording every assignment, agreement, or other paper relating to the property in a patent or application, $20; where the document relates to more than one patent or application, $3 for each additional item."

Sec. 2. Section 41 of title 35, United States Code,[28] is further amended by adding the following subsection:

"(c) The fees prescribed by or under this section shall apply to any other Government department or agency, or officer thereof, except that the Commissioner may waive the payment of any fee for services or materials in cases of occasional or incidental requests by a Government department or agency, or officer thereof."

Sec. 3. Section 31 of the Act approved July 5, 1946 (ch. 540, 60 Stat. 427; U.S.C., title 15, sec. 1113), as amended,[29] is amended to read as follows:

"(a) The following fees shall be paid to the Patent Office under this Act:

"1. On filing each original application for registration of a mark in each class, $35.

"2. On filing each application for renewal in each class, $25; and on filing each application for renewal in each class after expiration of the registration, an additional fee of $5.

"3. On filing an affidavit under section 8(a) or section 8(b) for each class, $10.

"4. On filing each petition for the revival of an abandoned application, $15.

"5. On filing opposition for cancellation for each class, $25.

"6. On appeal from the examiner in charge of the registration of marks to the Trademark Trial and Appeal Board for each class, $25.

"7. For issuance of a new certificate of registration following change of ownership of a mark or correction of a registrant's mistake, $15.

"8. For certificate of correction of registrant's mistake or amendment after registration, $15.

"9. For certifying in any case, $1.

"10. For filing each disclaimer after registration, $15.

"11. For printed copy of registered mark, 20 cents.

"12. For recording every assignment, agreement, or other paper relating to the property in a registration or application, $20; where the document relates to more than one application or registration, $3 for each additional item.

"13. On filing notice of claim of benefits of this Act for a mark to be published under section 12(c) hereof, $10.

"(b) The Commissioner may establish charges for copies of records, publications, or services furnished by the Patent Office, not specified above.

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[28] 35 U.S.C.A. §41.

[29] 15 U.S.C.A. § 1113.

"(c) The Commissioner may refund any sum paid by mistake or in exxcess."

Sec. 4. Section 151 of title 35, United States Code,[30] is amended to read as follows:

"§ 151. Issue of patent

"If it appears that applicant is entitled to a patent under the law, a written notice of allowance of the application shall be given or mailed to the applicant. The notice shall specify a sum, constituting the issue fee or a portion thereof, which shall be paid within three months thereafter.

"Upon payment of this sum the patent shall issue, but if payment is not timely made, the application shall be regarded as abandoned.

"Any remaining balance of the issue fee shall be paid within three months from the sending of a notice thereof and, if not paid, the patent shall lapse at the termination of this three-month period. In calculating the amount of a remaining balance, charges for a page or less may be disregarded.

"If any payment required by this section is not timely made, but is submitted with the fee for delayed payment within three months after the due date and sufficient cause is shown for the late payment, it may be accepted by the Commissioner as though no abandonment or lapse had ever occurred."

Sec. 5. Section 154 of title 35, United States Code,[31] is amended by inserting the words "subject to the payment of issue fees as provided for in this title," after the words "seventeen years".

Sec. 6. The analysis of chapter 14 of title 35, United States Code, immediately preceding section 151, is amended in the first item thereof by striking out the words "Time of issue of patent" and inserting in lieu thereof "Issue of patent".

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[30] 35 U.S.C.A. § 151.

[31] 35 U.S.C.A. § 154.

Sec. 7. (a) This Act shall take effect three months after its enactment.

(b) Items 1, 3, and 4 of section 41(a) of title 35, United States Code, as amended by section 1 of this Act, do not apply in further proceedings in applications filed prior to the effective date of this Act.

(c) Item 2 of section 41(a), as amended by section 1 of this Act, and section 4 of this Act do not apply in cases in which the notice of allowance of the application was sent, or in which a patent issued, prior to the effective date; and, in such cases, the fee due is the fee specified in this title prior to the effective date of this Act.

(d) Item 3 of section 31 of the Trademark Act, as amended by section 3 of this Act, applies only in the case of registrations issued and registrations published under the provisions of section 12(c) of the Trademark Act on or after the effective date of this Act.

Sec. 8. Section 266 of title 35, United States Code,[32] is repealed.

The chapter analysis of chapter 27 of title 35, United States Code, is amended by striking out the following item:

"266. Issue of patents without fees to Government employees."

Sec. 9. Section 112 of title 35, United States Code,[33] is amended by adding to the second paragraph thereof the following sentence: "A claim may be written in independent or dependent form, and if in dependent form, it shall be construed to include all the limitations of the claim incorporated by reference into the dependent claim."

Sec. 10. Section 282 of title 35, United States Code,[34] is amended by deletion of the first paragraph thereof and substituting therefor the following paragraph:

"A patent shall be presumed valid. Each claim of a patent (whether in independent or dependent form) shall be presumed valid independently of the validity of other

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[32] 35 U.S.C.A. § 266.

[33] 35 U.S.C.A. § 112.

[34] 35 U.S.C.A. § 282.

claims; dependent claims shall be presumed valid even though dependent upon an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting it."

Approved July 24, 1965.

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PATENTS—FEES

For text of Act see p. 276
House Report (Judiciary Committee) No. 113, Mar. 1, 1965
[To accompany H.R. 4185]
Senate Report (Judiciary Committee) No. 301,
June 8, 1965

[To accompany H.R. 4185]
Cong. Record Vol. 111 (1965)

DATES OF CONSIDERATION AND PASSAGE

House Mar. 17, July 12, 1965
Senate June 15, 1965
The Senate Report is set out.

SENATE REPORT NO. 301

The Committee on the Judiciary, to which was referred the bill (H.R. 4185) to fix the fees payable to the Patent Office, and for other purposes, having considered the same, reports favorably thereon, with amendments, and recommends that the bill as amended do pass.

PURPOSE OF AMENDMENTS

The principal purpose of the amendments is to delete those provisions relating to the establishment of maintenance fees, and to obtain approximately the same amount of revenue as would have been secured therefrom, by making larger increases in other patent fees.

PURPOSE OF THE BILL

The purpose of H.R. 4185, as amended, is to increase the fees payable to the Patent Office so that a reasonable

part of Patent Office costs may be recovered. The bill also seeks to expedite the prosecution of patent applications and thus make new technology available to the public at an earlier date.

The fees payable to the Patent Office are determined by statute and have not revised since 1932. The income of the Patent Office has declined during this period from 90 percent recovery costs down to an estimated recovery of 28.3 percent during the present fiscal year. If the fees provided for in this bill are approved, when these fees become fully effective, the Patent Office would then be recovering approximately 74 percent of its costs.

STATEMENT

The principal Patent Office fees now in effect were established by Public Law 212, 72d Congress (47 Stat. 382), which increased the basic filing and issue fees to the present $30 figure. Since 1947 a number of bills have been introduced in the Congress to revise fees. The legislative history of Patent Office fee bills is provided in Study No. 13 of this committee's Subcommittee on Patents, Trademarks, and Copyrights.

This committee during the 2d session of the 87th Congress favorably reported (S. Rept. 2167), a Patent Office fee bill (S. 2225), but no further action was taken. During the 2d session of the 88th Congress, the other body passed H.R. 8190, a Patent Office fee bill. On February 27 and 28, 1964, hearings on this measure as well as S. 2547, introduced by Senator Thomas Dodd, were conducted by the Subcommittee on Patents, Trademarks, and Copyrights, but no further action was taken.

On March 3, 1965, the Subcommittee on Patents, Trademarks, and Copyrights held hearings on three Patent Office fee bills which had been referred to the subcommittee. These were S. 729, introduced by Senator Thomas Dodd; S. 730, introduced by Senator John L. McClellan, chairman of the subcommittee, at the request of the administration; and S. 1228, introduced by Senator Joseph Tydings, by request. Subsequent to the public hearing, but prior to any action by the subcommittee, the other

body approved H.R. 4185, which was received in the Senate on March 18, 1965, and referred to this committee. This bill, as passed by the other body, is identical to S. 730 on which hearings had been conducted.

SECTIONAL ANALYSIS

The principal provisions of H.R. 4185, as amended, are as follows:

SECTION 1. PATENT FEES

The two basic fees in patent cases are a fee payable when the application for patent is filed and a fee payable when the patent is to be issued. These now are $30 each (with a charge of $1 for each claim in excess of $20). These two fees produce approximately 50 percent of the revenue of the Patent Office.

Item 1 of section 1 proposes to raise the filing fee from $30 to $65 with a further payment of $2 for each claim presented in excess of 10 (whether in independent or dependent form) and $10 for each independent claim presented in excess of 1. (A claim in independent form stands on its own in defining the invention, while the dependent form incorporates by reference a previous claim and adds some additional limitation.) It is estimated that this revision will increase the income received from the initial patent fee from approximately $2.6 million to $7.9 million.

The second important change in fees by section 1 (item 2) is to raise the fee required to issue a patent from $30 to $100 with an additional charge of $10 for each page of specification as printed and $2 for each sheet of drawing. It is estimated that this change will increase from approximately $1.6 million to $6.9 million the income from the issue or final fee.

Section 1 also changes the fee structure applicable to design patents. Item 3 requires a filing fee of $20 and an issue fee of $10, $20, or $30, depending upon whether

the applicant wants a term of 3½, 7, or 14 years. The present design fee is a filing fee of $10, $15, or $30 depending upon the term of the patent that is wanted. One of the purposes in changing this section is to have the design fees parallel the filing and issue fees for other types of patent applications, and to avoid the present practice wherein an applicant files for a 3½-year term and, upon allowance, requests that the term be increased to 7 or 14 years, paying the balance of the fees. The increase in revenue from this change is less than $90,000 a year, but it will reduce to a reasonable extent some of the burdens of the Office and, for that matter, on the applicant himself.

For a similar reason, section 1 changes the structure of the reissue patent fees from a flat charge of $30 for filing the application to a filing fee of $65 with an additional charge of $2 and $10 for total claims over 10 and independent claims over 1 newly presented, respectively (item 4); and an issue fee of $100 plus $10 for each page of specification as printed and $2 for each sheet of drawing (item 2). There is no fee currently charged for issuing a reissue patent. Here, again, the revenue from the change is slight. There are only approximately 200 reissue applications filed each year; however, the revision will establish uniform treatment for all patent applications, whether original or reissue. It costs as much to print the reissue patent as it does an original patent, and the cost of examining such applications, although it starts from where the previous application left off, can be and usually is substantial. Therefore, it seems reasonable for reissue applicants to pay the same fees as new applicants are required to pay.

Item 6 of section 1 changes the present $25 fee on appeal to the Board of Appeals to provide for a charge of $50 upon filing the appeal and an additional charge of $50 upon filing a brief in support of the appeal.

The purpose of the change is to increase the appeal fee so that it will be more nearly commensurate with the expense involved, and to encourage withdrawals at the earliest possible time. In many cases, after the appeal

is filed, the case is reconsidered by the examiner, the claims allowed, and the appeal withdrawn. In other cases, the appellant may lose interest in the invention and abandon efforts to get his patent. In both cases, the proposed fee structure will encourage applicants to resolve the issue at an early time and withdraw the appeal, helping to relieve the Board of Appeals from its increasing backlog.

The sale of printed copies of patent specifications and drawings at 25 cents per copy at the present time provides about 18 percent of the total income of the Patent Office. This charge has been doubled by item 9 of section 1 to reflect the increased cost of reproducing the copies. In addition, the Commissioner is given authority to raise the charge to not more than $1 in the case of specifications above a certain size and for plant patents printed in color.

The final important change in section 1 pertains to the recording of assignments. At present a basic charge of approximately $3, with small surcharges for size and additional items, is made to record an assignment even though a number of applications, registrations, or patents are assigned by one instrument. The combined charges average about $3.20. Item 10 of section 1 of the bill proposes a charge of $20 for recording the assignment of a patent or application and an additional $3 for each other item included in the assignment. A substantial increase in income to the Patent Office will result from this change. One of the principal purposes in raising the fee for recording an assignment is to place more of the burden for Patent Office operations on those patents and applications which have proved to be valuable. Presumably, there would be no traffic in patents and applications which are valueless.

Items 5, 7, and 8 of section 1, deal with circumstances of relatively small occurrence and the income from which is small. Changes are made to keep them in line with other changes. The reference to certificates under section 256 in item 8 is new and, to this extent, a minor new fee is added.

SECTIONS 2 AND 8. FEES TO BE PAID BY GOVERNMENT AGENCIES

Section 2 of H.R. 4185 provides that patent fees shall apply to Government agencies; in other words, they are to pay the same fees as anybody else, except that fees for incidental or occasional requests may be waived. Section 8 makes a coordinating change.

SECTION 3. TRADEMARK FEES

Section 3 of the bill makes various changes in fees related to trademark cases. In form, the section of the Trademark Act dealing with fees is recognized so that fees which are not changed are repeated. There are three major changes in trademark fees and a few minor ones. First, the fee for filing an application to register a mark is proposed to be raised from $25 to $35; second, a fee of $10 is made payable at the time an affidavit of use if filed (at the end of 5 years); and third, the fee for recording an assignment of a trademark registration or application is increased to $20 and, where, the document related to more than one application or registration a charge of $3 for each additional item.

For the first time, a fee is made payable on the filing of a petition to receive an abandoned trademark application. And the fee for surrendering a registration has been dropped.

SECTION 4. PAYMENT OF ISSUE FEE

This section of the bill proposes a different concept in the payment of the issue fee. At present a notice of allowance is sent to the applicant. There then is a 6-month period within which the final fee must be paid, and thereafter the patent normally issues within 7 weeks. (There is also a provision for the delayed payment of the issue fee up to 1 year.)

It is proposed that the 6-month period within which the applicant can prevent the patent from issuing, without effecting abandonment, shall be reduced to 3 months. The bill provides that the notice of allowance shall specify

a sum, constituting the issue fee or a portion thereof, which shall be paid within 3 months thereafter. Upon payment of this sum the patent shall issue. If it is not paid the application is deemed abandoned. Any remaining balance of the fee shall be paid within 3 months after issuance, or the patent shall lapse. Within 3 months after the due date of an unpaid fee, however, the Commissioner may, on a showing of sufficient cause, accept late payment as though no abandonment of lapse had occurred.

This particular arrangement will permit the Patent Office to issue patents substantially sooner and make new technology available to the public at an earlier date. It will also enable the applicant to calculate the amount of the components of the issue fee before it is due.

At the hearings conducted by the Subcommittee on Patents, Trademarks, and Copyrights, some concern was expressed that this procedure would be burdensome both to the Patent Office and the applicant in that it would usually involve paying the issue fee in two transactions. The committee is of the view that the Patent Office should frequently be able to estimate the final issue fee including the printing charges. The bill has been amended to provide that in calculations of the remaining balance of the issue fee, charges for a page or less may be disregarded. It is estimated by the Patent Office that this amendment will eliminate all but a few percent of the second transactions. This provision will thus reduce the administrative costs and also will appreciably eliminate uncertainty regarding the possible lapse of a patent for failure to pay the remaining balance of the issue fee.

SECTION 7. TIME OF COMING INTO FORCE

Section 7 of the bill works out the time of coming into force of various provisions which need special treatment.

The new patent issue fee and issuance procedures apply to cases in which the notice of allowance was sent after the effective date of the act.

The new trademark affidavit fee is applied only to registrations issued after the effective date of the act and to certain old registrations which are brought into the condition of requiring the affidavit, after the effective date.

SECTIONS 9 AND 10. DEPENDENT FORM OF CLAIM

Sections 9 and 10 recognize the dependent form of claim and are designed to make clear that dependent claims are to be considered individually on their merits. The validity or interpretation of dependent claims does not depend upon the validity or interpretation of the claim from which they depend.

INCOME RESULTS OF THE BILL

The results of the fees specified in the bill are based on estimates for the 1965 fiscal year. Under the present schedule of fees the income—using fiscal 1965 as a basis —is estimated at $8.9 million, which would be 28.3 percent of the appropriation for operating costs. When all the fees are fully effective, the anticipated revenue would be $23.4 million, which amounts to approximately 74 percent of the appropriation for operating costs for fiscal year 1965.

The patent filing fee at the present time accounts for approximately 32 percent of Patent Office income. The final fee accounts for approximately 16 percent, patent copy sales account for 18 percent, and trademark filing fee accounts for 8 percent. Hence, it can be seen that the two most important fees in terms of the income produced are the filing and final fees for patents.

Breaking down the operating costs of the Patent Office between the functions of patent examination and adjudication, trademark examination and adjudication, and administration and program services, the patent examina-

tion and adjudication function accounts for approximately 77.6 percent of Patent Office operating costs, the trademark examination and adjudication function for approximately 4.1 percent, and the miscellaneous costs under administration and program services for approximately 18.3 percent.

Breaking the patent examination and adjudication function down further, examining and classification account for approximately 72 percent of the total Patent Office costs, with 6 percent accounted for by the costs of the Board of Appeals, the Board of Patent Interferences, and research and development activities.

The following table based upon assumptions made by the Patent Office compares estimated fee income for fiscal 1965 under present law and under H.R. 4185.

[Dollar amounts in thousands]

Fee	Income under present fees	Income under proposed fees
Initial, patent	2,647	7,921
Issue, patent	1,633	6,930
Reissue, issue of		28
Initial, design	100	100
Issue, design		84
Initial, reissue	6	18
Disclaimer, patent	1	1
Appeal, patent filing	350	700
Appeal, patent brief		350
Petition to revive	7	11
Petition to delay	2	3
Certificate, patent	4	6
Copies, patent	1,618	3,236
Copies, trademark	34	68
Recording assignments, patents	233	1,260
Recording assignments, trademarks		96
Filing, trademark	650	910
Affidavit, trademark		[1] 120
Petition to revive, trademark		2
Certificate, trademark	2	3
Certificate correction, trademark	2	3
Disclaimer, trademark	([2])	.....
Fees not changed	1,611	1,611
Total	8,900	23,461
Costs of operation	31,451	31,451
Percentage of costs	28.3	74.5

[1] These fees will not be received in whole or in part for 5 years.

[2] Income less than $500.

ASSUMPTIONS PROVIDING BASES FOR ESTIMATED INCOME FROM PROPOSED FEES IN 1965

Initial filing: Original patent containing on the average 2 claims over 10 and 2 independent claims over 1; average fee $89; 89,000 applications.

Patent issue: Average issue of 3.6 pages of specifications with 2 sheets of drawings; average fee of $140; 55,000 issues less 10 percent forfeiture or 49,500 issues.

Design filing: 5,000 applications.

Design issue: 3,000 divided on a 5-, 10-, and 85-percent basis for 3½, 7 and 15 years protection.

Patent appeals: 14,000 with 7,000 withdrawn.

Patent copies: $1,618,000.

Trademark copies: $34,000.

Recording assignments: 80,000 patent items and 13,200 trademark items.

Applications for trademarks: 26,000.

Affidavits for trademarks: 12,000.

Fees not changed include, among others, fees charged for reproduction of records which are fixed administratively ($1,130,000), special service orders, and trademark renewal fees.

IMPROVEMENTS IN PATENT OFFICE PRACTICE

In addition to increasing the fees received by the Patent Office, another principal objective of this bill is to secure improvement in Patent Office practice and the functioning of the patent system. The bill seeks to accomplish these objectives by the following provisions:

1. Item 1 of section 1 of the bill provides for a charge of $10 for each independent claim in excess of 1 and a charge of $2 for each claim, independent or dependent, in excess of 10. The purpose of this provision is to discourage excessive permutations and combinations of claims and to encourage use of the dependent form of claim. The Commissioner of Patents has informed the

committee that even in the case of simple patents, the time saved in analyzing the differences between claims is approximately 2 to 1 in favor of the dependent form of claim.

This bill does not prevent an applicant from using independent claims. It merely provides that if an applicant or his attorney decide that independent claims would better serve the invention, then additional fees should be charged to compensate the Patent Office for the undisputed additional costs involved in the examination of such applications. The reduction in the number of claims and the encouragement of the use of claims in dependent form will not only be of advantage to the Patent Office and to the public, but will assist the courts in their consideration of those claims which become involved in litigation.

2. Item 2 of section 1 of the bill provides for a charge of $2 for each sheet of drawing and $10 for each printed page of specification. The purpose of this provision is to establish a relationship between the size of the application and the amount of the issue fee. Lengthy and complex patent applications are considerably more expensive to examine and contribute disproportionately to the backlog in the Patent Office. It has been established that those divisions of the Patent Office that are concerned principally with the more complex subject matter have average disposal rates substantially below those divisions that handle less complex applications. The committee is of the view that the extra costs involved in processing lengthy and complex applications should be substantially borne by those who file such applications rather than by other patentees or the taxpayers.

3. The bill also seeks to improve the patent system by the provisions in section 4 introducing a new approach to the payment of the issue fee.

SUMMARY OF COMMITTEE'S CONCLUSIONS

1. A fundamental question considered by the committee in connection with this bill is the extent to which special beneficiaries of Government programs should bear the costs of operations attributable to these special services. The Congress has had occasion to express itself on this subject previously. Title 5 of the Independent Offices Appropriation Act of 1952 established as an objective that services rendered to special beneficiaries by Federal agencies should be self-sustaining to the fullest extent possible.

The present bill provides that when all fees are fully effective, the Patent Office would recover approximately 74 percent of their costs. The committee, therefore, was not required to decide whether the Patent Office should be fully self-supporting. It is the view of the committee that the fee schedule contained in this bill provides for a reasonable percentage of Patent Office costs to be borne by those directly benefiting from Patent Office services.

2. The committee is of the view that the increases in fees provided for in this bill will not deter the inventive genius of the American people or reduce the filing of patent applications. The testimony before the Subcommittee on Patents, Trademarks, and Copyrights indicated some concern that an increase in fees would discourage the filing of patent applications. In view of the fact that all other expenses involved in securing a patent, most notably legal fees, have considerably increased since 1932 without any reduction in the number of applications filed, the committee does not agree that the adjustment of patent fees provided in this bill will discourage invention. In fact, the experience in European countries which have increased fees, indicates that this does not have a significant effect on the number of patent applications filed.

3. The committee carefully considered whether a portion of the desired revenue should be obtained through the establishment of a system of maintenance fees. Under

this procedure periodic payments would be required throughout the 17-year term of the patent to preserve the life of the patent. The Department of Commerce advocated the adoption of such a system because it would permit the patent owner to spread out the payment of fees over the life of the patent. The testimony before the Subcommittee on Patents, Trademarks, and Copyrights indicated widespread opposition to the establishment of maintenance fees. While the Department of Commerce has made significant modifications in its original maintenance fee proposal, the committee is of the view that such fees would prove cumbersome and would create uncertainty as to the current status of a patent.

The Subcommittee on Patents, Trademarks, and Copyrights of this committee, as well as the administration and the Patent Bar, are now engaged in a comprehensive review of our existing patent laws and procedures to determine what modifications are necessary in the light of present conditions. Our basic procedures are substantially unchanged from those established in the Patent Act of 1836. While these studies are in progress, the committee does not believe it desirable to institute such a basic innovation in the American patent system as maintenance fees.

4. The committee is of the view that the Patent Office should be given every assistance by applicants and their attorneys in improving Patent Office procedures and expediting the examination of patent applications. The committee, therefore, has approved those provisions of the bill which will facilitate such objectives. This will be accomplished most notably by encouraging the use of dependent claims in patent applications and by inducing applicants to prepare their applications in a concise form.

5. The committee is of the view that there is no justification for requiring trademark owners to assume the burden of bearing a portion of the patent examining deficit. While the committee believes that the increases

in trademark fees proposed by the administration are reasonable, the committee could not support larger increases to help meet the patent deficit.

6. The committee has given particular consideration to the question of whether Government departments and agencies should pay fees, and if such fees are to be required, whether they should be at a reduced rate. It is the view of the committee that the Government should pay the same fees as private patentees. To permit Government departments to pay lower fees would, to an extent, defeat the objective of having patent costs included in the budgets of the departments involved rather than borne by the Patent Office. As the Bureau of the Budget indicated in a letter to Senator John L. McClellan, chairman of the Subcommittee on Patents, Trademarks, and Copyrights:

> We are similarly concerned that services which are provided for Federal agencies as a result of their requests will be shown as actual costs of the operation of those agencies. It is our belief that the budget requests of the individual agencies, as presented to the Congress in the executive budget, should in fact present the complete picture of the fiscal plan of that agency.

The applications filed by Government departments and agencies consume examining time and require patent services just as those filed by individuals and corporations.